FRANCHISE DISCLOSURE DOCUMENT

Paris Baguette Family Inc.
137 West Commercial Avenue
Moonachie, New Jersey 07074
(201) 507-4805
contactus@parisbaguette.com
http://www.parisbaguetteusa.com

PARIS BAGUETTE

The franchise is for the establishment and operation of a Paris Baguette Cafe that offers a variety of French-inspired high-quality breads, pastries, cakes, and other artfully-displayed desserts, along with handcrafted sandwiches, soups, salads, hot and cold beverages, and other products (a "Cafe" or "Cafes").

The total investment necessary to begin operation of a Paris Baguette franchise is between $727,440 and $1,825,100. This includes between $160,200-$196,000 that must be paid to the franchisor or its affiliate.

We also offer the opportunity for a franchisee to sign an Area Development Agreement that will allow development of a minimum of four Cafes in a defined area. You will be required to pay us an area development fee equal to $20,000 multiplied by the number of Cafes you plan to develop, which is then credited towards the initial franchise fee for each Café you develop. The total investment necessary to begin operation of each Café developed under an Area Development Agreement is the same as that for a single unit, except the initial franchisee fee is reduced by $10,000 per Café. The total amount paid to us, per location, is also the same as for a single unit, less a $10,000 reduction in the initial franchise fee owed. The first franchise agreement will be in the form attached to this document and is typically signed at the same time as the Area Development Agreement.

This disclosure document summarizes certain provisions of your Franchise Agreement and Area Development Agreement, and any other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least fourteen (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 Franchise Development at 137 West Commercial Avenue, Moonachie, New Jersey 07074, or (201) 507-4805.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the Federal Trade Commission ("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 5, 2025

How to Use This Franchise Disclosure Document

Here are some questions that 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 D and E.
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 Paris Baguette 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 a Paris Baguette franchisee?	Item 20 or Exhibits D and E lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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, arbitration, and/or litigation only in New York, New York. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in New York, New York than in your own state.

2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for 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 martial 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 or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices 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 franchise business.

4. **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.

5. **Unopened Franchises**. The franchisor has signed a significant number of franchise agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you also may experience delays in opening your own outlet.

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.

THE FOLLOWING PROVISIONS APPLY ONLY TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Any questions regarding this notice should be directed to:

State of Michigan Consumer Protection Division
Attn: Franchise
670 G. Mennen Williams Building
525 W. Ottawa Street
Lansing, Michigan 48909
(517) 373-7117

Despite subparagraph (f) above, we intend to enforce fully the provisions of the arbitration section contained in our Franchise Agreement and Area Development Agreement. We believe that subparagraph (f) is unconstitutional and cannot preclude us from enforcing our arbitration section. You acknowledge that we will seek to enforce that section as written.

TABLE OF CONTENTS

ITEM 1 THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES 8
ITEM 2 BUSINESS EXPERIENCE 12
ITEM 3 LITIGATION 13
ITEM 4 BANKRUPTCY 14
ITEM 5 INITIAL FEES 14
ITEM 6 OTHER FEES 16
ITEM 7 ESTIMATED INITIAL INVESTMENT 23
ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES 28
ITEM 9 FRANCHISEE'S OBLIGATIONS 32
ITEM 10 FINANCING 34
ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING 34
ITEM 12 TERRITORY 45
ITEM 13 TRADEMARKS 48
ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION 50
ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS 53
ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL 54
ITEM 17 RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION 54
ITEM 18 PUBLIC FIGURES 61
ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS 62
ITEM 20 OUTLETS AND FRANCHISEE INFORMATION 65
ITEM 21 FINANCIAL STATEMENTS 71
ITEM 22 CONTRACTS 71
ITEM 23 RECEIPTS 72

Exhibits

Exhibit A – Financial Statements
Exhibit B – Area Development Agreement (including attachments)
Exhibit C – Franchise Agreement (including attachments)
Exhibit D – List of Franchised Outlets
Exhibit E – List of Franchisees Who Have Left the System
Exhibit F – Operations Manual Table of Contents
Exhibit G – List of State Administrators
Exhibit H – Agents for Service of Process
Exhibit I – Summary of Acknowledgment
Exhibit J – State Specific Addenda to Franchise Disclosure Document
Exhibit K – State Effective Dates Page
Receipts

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

The Franchisor, and any Parents, Predecessors, and Affiliates

The Franchisor

The franchisor is Paris Baguette Family Inc., referred to in this disclosure document as "PBF," "we," "us," or "our." "You" or "your" means the individual(s), corporation, partnership, limited liability company, or other business entity that acquires the franchise from us and includes your owners and principals.

We were incorporated in Delaware on October 27, 2014, and our principal business address is 137 West Commercial Avenue, Moonachie, New Jersey 07074. We do business under our corporate name and under the name "Paris Baguette." Our agents for service of process in the states that require franchise registration are listed in Exhibit H.

We sell franchises for Cafes that do business under the mark "Paris Baguette." We began offering new franchises on March 1, 2015, but two (2) affiliated-owned Cafes were converted to franchises on October 27, 2014. We do not operate any Paris Baguette Cafes, but our affiliates do, as discussed below. We have never offered franchises in any other line of business, and we are not engaged in any other business activity other than the offer of Paris Baguette Cafe franchises and the provision of certain products and services to franchisees in connection with opening or operation of their Cafes, provided however, if we determine that the operation of your business is in jeopardy, or if a default occurs, then in order to prevent an interruption in operations, we (or our affiliate) may temporarily operate the Cafe.

Affiliates

Our following affiliates are required to be disclosed in this Item.

Our affiliate Paris Croissant Co., Ltd. ("Paris Croissant") is a Korean limited company formed on January 15, 1986. Paris Croissant sells dough and other restaurant supplies directly or indirectly to company-owned and franchised Cafes in the United States and in other countries. Its principal business address is 18, Sagimakgol-ro 31beon-gil, Jungwon-gu, Seongnam-si, Gyeonggi-Do, 462-807 Korea. Paris Croissant is also the current owner of the trademark "Paris Baguette" (the "Mark") and the patents related to the production of our proprietary dough. Paris Croissant licenses the mark "Paris Baguette" along with certain other proprietary marks and names designated from time to time for the operation of a Cafe ("Proprietary Marks") and other patents, copyrights, know-how and trade secrets owned by it, as well as any intellectual property developed by us or any licensees of Paris Croissant (the "IP"), to our affiliate PBBD (described below), which in turn sub-licenses the IP to us for further sub-licensing in connection with the sale of franchises in the United States. Paris Croissant is the parent of PBBD. Paris Croissant also licenses IP to sell Paris Baguette franchises in the Republic of Korea, the People's Republic of China, Singapore and Vietnam. Other than these activities, Paris Croissant is not engaged in any other business activity.

Our affiliate Paris Baguette Bon Doux, Inc. ("PBBD") is a California corporation formed on September 13, 1991, which was reincorporated as a Delaware corporation on January 2, 2015. PBBD's principal business address is 137 West Commercial Avenue, Moonachie, New Jersey 07074. PBBD sub-licenses the Proprietary Marks and IP to us in connection with the offer and sale of franchises. PBBD also exports from the United States certain supplies and products for sale to Paris Croissant. PBBD is the parent of our affiliate Paris Baguette America, Inc. ("PBA") and our affiliate Paris Baguette USA, Inc. ("PBUSA"), both described below. Other than this activity, PBBD is not engaged in any other business activity, provided however it currently owns a majority interest in Zinc

Enterprises, Inc., which operates Zinc Cafes. PBBD has never conducted the type of business that you will operate, nor has it offered franchises for Paris Baguette Cafes, or in any other line of business.

Our affiliate PBA owns and operates our "company-owned" Cafes in the United States. These Cafes are similar to the franchised Paris Baguette Cafes. As of December 31, 2024, PBA owns and operates eleven (11) Cafes in the United States. PBA is a New Jersey corporation formed on May 31, 2006 that was reincorporated as a Delaware corporation on January 2, 2015. PBA's principal business address is 137 West Commercial Avenue, Moonachie, NJ 07074. Other than this activity, PBA is not engaged in any other business activity. PBA has never offered franchises for Paris Baguette Cafes, nor engaged in any other line of business.

Our affiliate and predecessor PBUSA is a California corporation formed on February 15, 2005 which was reincorporated as a Delaware corporation on January 2, 2015. PBUSA's principal business address is 137 West Commercial Avenue, Moonachie, NJ 07074. From January 2011 through January 2012, PBUSA offered franchises for two Paris Baguette Cafes. On October 27, 2014, PBUSA assigned both of its then-existing franchise agreements that it had entered into with Paris Baguette franchisees to us. PBUSA has never conducted the type of business that you will operate. PBUSA no longer offers franchises for Paris Baguette Cafes, and it has never offered franchises in any other line of business. PBUSA contracts with vendors for the sale of goods or services to us or PBA. Other than the activity described in this paragraph, PBUSA is not engaged in any other business activity.

Our affiliate, PBFC Licensing Inc. ("PBFC") is a Canadian entity formed on May 15, 2020. PBFC's principal business address is 137 West Commercial Avenue, Moonachie, New Jersey 07074. PBFC licenses the rights to qualified individuals or entities to operate Paris Baguette franchised businesses in Canada. PBFC also engages in procurement of goods for Canadian franchisees. Otherwise, it has never offered franchises in this or any other line of business. Other than the activity described in this paragraph, PBFC is not engaged in any other business activity.

Our affiliate, PBC Bakery Inc. ("PBC") is a Canadian entity formed on May 25, 2021. PBC's principal business address is 137 West Commercial Avenue, Moonachie, New Jersey 07074. PBC owns and operates our "company-owned" Cafes in Canada which are similar to the franchised Paris Baguette Cafés. Other than this activity, PBC is not engaged in any other business activity. PBC has never offered franchises for Paris Baguette Cafes, nor engaged in any other line of business.

Our affiliate, Paris Baguette Gift Card Services, Inc. is a California corporation formed on December 9, 2024 with a principal address at 3330 Harbor Blvd, Costa Mesa, CA 92626. This entity operates our gift card program which is utilized by Paris Baguette cafes.

Except as described above, we have no other parents, predecessors, or affiliates required to be disclosed in this Item.

The Paris Baguette Franchise

We offer the right to establish and operate Paris Baguette Cafes under the Paris Baguette system (the "System"). The System includes distinctive exterior and interior design, decor, color scheme, and furnishings; uniform standards, specifications, policies and procedures for operations; methods for food preparation; quality and uniformity of the products and services offered; procedures for inventory, management and financial control; training and assistance; and advertising and promotional programs.

A traditional Paris Baguette Cafe typically has a footprint of approximately three thousand (3,000) square feet or more, has an inviting area for in-Cafe dining, and is operated in a free-standing building and/or strip mall

("Traditional Cafe"). We occasionally offer Paris Baguette franchises for non-traditional locations such grocery stores, airports, hospitals or stadiums ("Non-Traditional Cafe"), which may have a smaller format.

Each Paris Baguette Traditional Cafe extends a neighborly welcome through its personalized service found inside each well-crafted and well-designed bakery cafe. With menu selections presented in an artful way, all Paris Baguette Cafes offer a variety of high-quality breads, pastries, coffees, cakes and desserts alongside handcrafted sandwiches, soups and salads prepared by skilled bakers, cakers and baristas. Most menu items are available both to-go as well as dine in, giving guests a variety of ways to purchase. Franchisees may, subject to our approval, obtain a liquor license to sell alcoholic beverages in the Café.

The Franchise Agreement (Exhibit C to this Disclosure Document) grants you the right to establish and operate one (1) Cafe at a specified single location (the "Location") to be located within a designated area as described on a Site Selection and Acquisition Addendum to the Franchise Agreement (the "Site Addendum"). If we have not yet designated a Location for the Cafe when the Franchise Agreement is signed then you are responsible for locating a site within a specified geographic site selection area (the "Search Area"). We may permit or require you to provide catering and delivery services from your Location.

You must operate your Paris Baguette Cafe under the "Paris Baguette" Mark 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. We may periodically make changes to the System, including changes to the System's menus, methods, standards, signage, equipment and fixture requirements. You may have to make additional investments in the Cafe periodically during the term of the franchise if those kinds of changes are made or if your Cafe's equipment or facilities wear out or become obsolete, or for other reasons (for example, as needed to comply with a change in the System). All Cafes must be developed and operated to our specifications and standards. As uniformity of products sold in Cafes is important, you will have no discretion in the products you sell.

Area Development Agreements

We may offer qualified applicants that seek to develop four or more Paris Baguette Cafes the opportunity to enter into an Area Development Agreement (each an "Area Development Agreement"), the form of which is attached hereto as Exhibit B. The Area Development Agreement grants you the right to develop multiple Cafes within a specifically described geographic area (the "Development Area"). The size of the Development Area will vary depending upon local market conditions, population density and the number of Cafes to be developed, as described in Item 12. The Development Area will be determined before executing the Area Development Agreement and will be described in Attachment E to the Area Development Agreement.

If you sign an Area Development Agreement, you must open the number of Cafes contemplated by the Area Development Agreement in the Development Area in accordance with a development schedule ("Development Schedule") and must enter into a separate Franchise Agreement for each Cafe you establish. The Franchise Agreement for the first Cafe developed under the Area Development Agreement will be in the form of Exhibit C to this Disclosure Document. For each additional Cafe developed under the Area Development Agreement, you must sign the then-current form of Franchise Agreement that we are then offering to new franchisees at the time when you seek to develop each Café thereunder, except the royalty and advertising expenditure percentages will be the same as those set forth in the Franchise Agreement for the first Location.

The Operating Principal for all Paris Baguette Cafes you (and, if applicable, your affiliates) operate must be the same person, and the Operating Principal under the Area Development Agreement and any Franchise Agreement executed under the Area Development Agreement must be the same person. In addition, if you are an

Area Developer, your Operating Principal must also appoint a Cafe Manager for each Cafe to manage the day-to-day operations.

Any reference to the "Agreements" means the Area Development Agreement and the Franchise Agreement, as applicable.

Competition

The bakery and food service industries are highly competitive and well established with constantly changing market conditions. Paris Baguette Cafes will compete against other cafés, bakeries, coffee shops, sit-down restaurants, fast food restaurants, fast casual restaurants, casual restaurants, convenience stores, and other beverage and food service establishments. Competitors may be locally owned or large regional or national chains. The bakery, restaurant, and food service businesses are also affected by changes in consumer tastes, demographics, traffic patterns, and economic conditions. Sales are generally not seasonal.

Industry-Specific Regulation

The food service industry is heavily regulated. Many of the laws, rules and regulations that apply to businesses generally, such as the Americans with Disabilities Act, Federal Wage and Hour Laws and the Occupational Safety and Health Act, also apply to bakeries. However, other laws, rules and regulations have applicability to restaurants.

The U.S. Food and Drug Administration, the U.S. Department of Agriculture, and state and local health departments administer and enforce laws and regulations that govern food preparation and service and foodservice establishment sanitary conditions. State and local agencies inspect foodservice establishments to ensure that they comply with these laws and regulations. Some state and local authorities have adopted, or are considering adopting, laws or regulations that could affect: the content or make-up of food served in restaurants, such as the level of trans fat contained in a food item; general requirements or restrictions on advertising containing false or misleading claims, or health and nutrient claims on menus or otherwise, such as "low calorie" or "fat free"; the posting of calorie and other nutritional information on menus; the use of polystyrene in packaging; the use of plastic carry out bags and the use of plastic straws. If your location will be selling alcohol you will also have to abide by any applicable liquor laws. Further, California franchisees may be required to adhere to The Fast Food Act (California Assembly Bill 1228, codified at Cal. Lab. Code §§ 1474-1475) which requires standards for wages, working conditions, and training, as are reasonably necessary or appropriate to protect the welfare, including the physical well-being and security, of fast-food workers in California.

The Federal Clean Air Act and various implementing state laws require certain state and local areas to meet national air quality standards limiting emissions of ozone, carbon monoxide and particulate matters, including caps on emissions from commercial food preparation. Some areas have also adopted or are considering proposals that would regulate indoor air quality.

You must comply with all laws and regulations pertaining to the operation of a bakery as well as all those laws and regulations applicable to businesses in general, including those described above and zoning laws, labor laws, workers' compensation laws, privacy laws, business licensing laws and tax regulations. You are advised to examine all applicable laws and regulations carefully with a qualified advisor before purchasing a franchise from us and should consider these laws and regulations when evaluating your purchase of a franchise.

ITEM 2
BUSINESS EXPERIENCE

Chairman: Young In Hur

Mr. Hur is our Chairman and has held this position since our formation on October 27, 2014 in Seoul, Korea. He served as Chairman, Director, President, and CEO of PBUSA from February 2005 through December 2014 and PBA from May 2006 through December 2014 in Seoul, Korea. He currently still holds the position of Chairman and Director for both PBUSA and PBA in Seoul, Korea.

Director: Jin Soo Hur

Mr. Hur has been a Director since our formation on October 27, 2014 in Seoul, Korea. He served as Director and Secretary of PBUSA from February 2005 through December 2014 and has been a Director of PBA since May 2006 in Seoul, Korea. For more than 5 years, he also has held the position of Vice President of PBA operating out of Seoul, Korea and since January 1, 2022 he holds the position of President of Global Business for PBA.

Director: Hee Soo Hur

Mr. Hur has been a Director since our formation on October 27, 2014 in Seoul, Korea. He also has served as a Director of PBUSA since February 2005 and a Director of PBA since May 2006 in Seoul, Korea.

Chief Executive Officer: Darren Tipton

Mr. Tipton has served as our CEO in Moonachie, New Jersey since January 2020. Mr. Tipton has also served as the CEO of our affiliates PBA and PBUSA in Moonachie, New Jersey since January 2020 and CEO of our affiliates PBC and PBFC in Moonachie, New Jersey since February, 2022. From September 2018 through December 2019, he was our Chief Operating Officer in Moonachie, New Jersey.

Secretary and General Counsel: Kyle Chung

Mr. Chung is our Secretary and has held this position since October 2023. Mr. Chung also serves as General Counsel, and has held this position since July 2023. Mr. Chung has also served as Secretary of our affiliates PBC, PBFC, PBA, PBF and PBUSA in Moonachie, New Jersey since October 2023. Prior to that, Mr. Chung worked at Hanwha Holdings (USA) Inc. in New York, NY from September 2014 to June 2023.

Chief Operating Officer: Nicholas Scaccio

Mr. Scaccio has been our Chief Operating Officer since January 2024 and has held the same position with our affiliates PBC, PBFC, PBA and PBUSA since January 2024. Mr. Scaccio previously served as our Vice President of Operations and Vice President of Revenue and Strategic Development in Moonachie, New Jersey from February 2020 to January 2024. He also served as the Vice President of Operations of our affiliates PBA and PBUSA in Moonachie, New Jersey from February 2020 to January 2024 and as Vice President of Operations of our affiliates PBC and PBFC in Moonachie, New Jersey from February 2022 to January 2024.

Chief Financial Officer: Saeyong Park

Mr. Park has been our Chief Financial Officer since January 2024 and has held the same position with our affiliates PBC, PBFC, PBA and PBUSA since January 2024. Mr. Park previously served as our Vice President of Finance and Accounting in Moonachie, New Jersey from May, 2021 to January 2024. He also served as the Vice President of Finance and Accounting for our affiliates PBA, PBUSA, PBF and PBFC in Moonachie, New Jersey from May, 2021 to January 2024. Prior to that Mr. Park served as the Senior Director of Corporate Strategy in Americas and Europe in Moonachie, New Jersey for us and our affiliates PBA and PBUSA from May 2020 to March 2021, as Sr. Director of Strategic Planning for these entities in Moonachie, New Jersey from October 2018 to May 2020 and as Director of Strategic Planning for these entities in Commerce, CA from July 2015 to October 2018.

Chief Supply Chain Officer - Eric Galkin

Mr. Galkin has been our Chief Supply Chain Officer in Moonachie, New Jersey since January 2024 and has held the same position with our affiliates PBC, PBFC, PBA and PBUSA since January 2024. He previously served as our VP of Supply Chain from September 2020 to January 2024. He also served as VP of Supply Chain for affiliates PBA and PBUSA in Moonachie, New Jersey from September 2020 to January 2024 and VP of Supply Chain of our affiliates PBC and PBFC in Moonachie, New Jersey from May 2021 to January 2024. Prior to that, Mr. Galkin was appointed Director of Corporate Procurement at OTG Management in New York, NY from October 2019 to April 2020.

Chief Marketing Officer: Cathy Chavenet

Ms. Chavenet has served as our Chief Marketing Officer in Moonachie, New Jersey since January 2024 and has also served as Chief Marketing Officer of our affiliates PBA, PBC, PBFC and PBUSA since January 2024. Ms. Chavenet previously served as our Senior Vice President of Marketing in Moonachie, New Jersey, and held the same position with our affiliates PBA and PBUSA, from April 2023 to January 2024. Prior to that Ms. Chavenet served as the Vice President of Marketing for Duck Donuts in Mechanicsburg, Pennsylvania from May 2022 through March 2023; the Division Marketing head for the Northeast for The Wendy's Company in Dublin, OH from January 2021 through April 2022 and was the Director of Marketing for Dunkin' Brands, New York Region, in Canton, MA from July 2007 through August, 2020.

Chief People Officer: Michelle Jagroop

Ms. Jagroop has served as our Chief People Officer in Moonachie, New Jersey since January 2024 and has held the same position with our affiliates PBBD, PBA, PBUSA, PBC, PBFC since that time. Ms. Jagroop previously served as our Vice President of Human Resources and Training and Development from September 2018 to January 2024.

ITEM 3
LITIGATION

Korea Fair Trade Commission Order, 2020-290 (Resolution 2020-290) (October 2020). In October, 2020, the Korea Fair Trade Commission ("KFTC") issued Resolution 2020-290, ordering remedial measures and levying an administrative surcharge of 64.7 billion won ($54.3M US) against Paris Croissant, SPC Logistics and BR Korea, Shany and SPC Samlip ("SPC Affiliates"). The KFTC alleged that over several years, the SPC Affiliates violated Article 23(1)(vii)(b) of the Korea Monopoly Regulation and Fair Trade Act ("MRFTA") (so-called, "unfair assisting") wherein they purchased raw materials from their affiliate, SPC Samlip, at inflated prices, resulting in undue profits for SPC Samlip. The SPC Affiliates appealed the KFTC decision and order and initiated an administrative lawsuit (2020누55 (Seoul High Court 2020NU55)) against the KFTC arguing that the alleged actions of the SPC Affiliates cannot legally constitute "unfair assisting," and that they complied with all MRFTA regulations. On January 31, 2024, the Seoul High Court nullified most of the KFTC's remedial orders and all of the administrative surcharges. Both the KFTC and the SPC Affiliates appealed this decision to the Supreme Court of Korea in February 2024 (Supreme Court of Korea 2024DU35811). In June 2024, the Supreme Court of Korea affirmed the Seoul High Court's decision, upholding only one of the KFTC's remedial orders regarding flour bulk procurement from SPC Samlip while nullifying the other KFTC's remedial orders and the entire administrative surcharge. In accordance with the Supreme Court's decision, the entire administrative surcharge of 64.7 billion won has been refunded to the SPC Affiliates. A review is pending to determine whether an administrative surcharge will be assessed in relation to the single upheld remedial order.

Pending Action:

On April 21, 2024, our Chairman, Young-in Hur, was charged by the Seoul Central District Prosecutors' Office with violating the Trade Union and Labor Relations Adjustment Act. The Prosecutor's Office alleged that Mr. Hur

forced bakers at Paris Baguette locations in South Korea, to withdraw from the Korean Confederation of Trade Unions from 2019 to 2022 and allegedly forcing them to join the Federation of Korean Trade Unions. Mr. Hur denies all charges. The matter is presently being tried in Seoul Central District Court.

Other than the matter listed above, no litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Single Paris Baguette Cafe

The initial franchise fee ("Initial Franchise Fee") for a single Paris Baguette Cafe is fifty thousand dollars ($50,000). The Initial Franchise Fee must be paid prior to or concurrently with execution of the Franchise Agreement and will not be refunded, fully or partially, under any circumstances. We offer reduced fees if you open additional Paris Baguette Cafes. The Initial Franchise Fee for your second Cafe, and for each subsequent Cafe, if any, will be discounted to forty thousand dollars ($40,000).

Multiple Paris Baguette Cafes

If you commit to developing four or more Paris Baguette Cafes, you may be offered the opportunity to sign an Area Development Agreement. The Initial Franchise Fee for each Cafe that you open pursuant to the Area Development Agreement will also be discounted to forty thousand dollars ($40,000). To enter into an Area Development Agreement with us, you must pay an Area Development Fee ("Area Development Fee") and an Initial Franchise Fee as follows:

1. An Area Development Fee of twenty thousand dollars ($20,000) multiplied by the number of Cafes required to be developed under the Development Schedule. The Area Development Fee must be paid prior to or concurrently with your execution of the Area Development Agreement and it will not be refunded, fully or partially, under any circumstances. This fee will be credited in increments of twenty thousand dollars ($20,000) against the discounted Initial Franchise Fee for each Café developed under the Area Development Agreement provided that you are in full compliance with the Development Schedule at all times under the Area Development Agreement; and

2. Twenty thousand dollars ($20,000), representing the remainder of the discounted Initial Franchise Fee (after receiving the Area Development Fee credit), upon or prior to the execution of the Franchise Agreement for each Cafe under the Development Schedule, *provided however* if you are not in full compliance with the Development Schedule at all times under the Area Development Agreement you will not receive a credit from the Area Development Fee you paid and will owe the full forty thousand dollars ($40,000) upon signing each franchise agreement.

Variations to Initial Franchise Fee

If your Cafe will be majority-owned by a current member of the U.S. military or a former member who was honorably discharged, you are eligible for a one-time fifteen percent (15%) discount on the Initial Franchise

Fee (the "Military Discount") for your first Cafe. We reserve the right to modify or cancel the Military Discount at any time.

Training

Prior to opening each of your Cafes, you must also complete our initial training program. Training for your Operating Principal, the Cafe Manager and eight (8) to ten (10) food production personnel is included in the Initial Franchise Fee. Please note that any replacement Operating Principal, Cafe Manager or food production personnel shall successfully complete Franchisor's initial training program within ninety (90) days from when such persons are designated. At our option, this training course may occur at any of the training locations in the United States that we designate during the Term. You are solely responsible for all costs and expenses, including travel and lodging in connection with the training. Although we provide the initial training program at no additional cost for the number of personnel listed above, you are responsible for the cost of all goods used as part of our on-site training, which you must purchase from us. We estimate the cost of these goods to be approximately $4,000. If you desire to have additional personnel participate in the training program, we may provide initial training to such additional personnel at any of our scheduled initial training courses at our then-current fee upon commencement of the training program, which is currently $300 per day per trainer (maximum 8 hours per day) plus any out-of-pocket expenses.

Opening Inventory

Before opening a Cafe, you must purchase an initial inventory of merchandise, products and supplies needed for operation of the Cafe. You must purchase your initial inventory from us or our affiliates, or suppliers approved by us. The assortment and number of these items will be based upon the size and configuration of your Cafe. We estimate that the cost for the opening inventory that you will purchase from us or our affiliates is $40,000 to $60,000.

Bakery Equipment

Before opening you must purchase approved bakery equipment from us or our affiliate consisting of deck ovens, racks and stands. We estimate the cost for this equipment will be $25,000 to $30,000.

Chairs

Prior to opening you will be required to purchase approximately 35-40 dining chairs and bar stools for your Café from us or our affiliate. We estimate the cost for the chairs and stools will be between $7,000-$8,000.

Smallwares

Prior to opening you must purchase certain smallwares for your Café from us or our affiliate. We estimate the cost for the initial smallwares you must purchase from us or our affiliate will be between $15,000 - $18,000.

Grand Opening Promotion

During the time period beginning 30 days before, and 60 days after, your Café opens, you must spend a minimum of $12,500 which will be used on the grand opening marketing and advertising for your Café. We reserve the right to require you to pay these monies to us or our affiliate to be used on your behalf.

Test Fits

Prior to opening you must pay to us or our affiliate the cost for the preparation of test fit drawings. We estimate the cost of this to be between $2,000-$3,500.

Survey

To the extent that CAD files are not available for a location you must pay to us or our affiliate the cost of a survey. If CAD files are available, this cost does not apply, therefore we estimate this to be between $0-$3,500.

Permit Expediter

You will be required to obtain permit expediter services through us to assist with acceleration of building permits in your local jurisdictions. We estimate the cost of this to be between $3,500-$5,000.

Software Setup Fees

Prior to opening you must pay to us or our affiliate software setup fees. We estimate the cost for software setup to be between $1,200-$1,500.

All fees and expenses described in this Item 5 are nonrefundable.

ITEM 6
OTHER FEES

Type of Fee[(1)]	Amount	Due Date	Remarks
Royalty Fee(s)	Five percent (5%) of weekly Gross Sales[(2)]	Tuesday (for the Monday through Sunday of the preceding week).	The Royalty Fee is withdrawn from your designated bank account by EFT. We reserve the right to adjust the payment frequency and/or measuring period. The royalty fee is reduced by 1% for the first 12 months for franchisees in good standing who open their locations within 9 months of signing the franchise agreement (for area developers opening their second or greater location under an area development agreement, the locations must be open at least 3 months prior to the opening deadline listed in the development schedule to receive the discount).
Marketing Fund Fee[(3)]	Currently two percent (2%) of weekly Gross Sales.	Payable at the same time and in the same manner as the Royalty Fee.	We have the right to increase the Marketing Fund Fee up to and including three percent (3%) of weekly Gross Sales. We do not currently anticipate an increase prior to 2026 but reserve all rights. We require you to pay the Marketing Fund Fee by electronic funds transfer. See Item 11. We reserve the right to adjust the payment frequency and/or measuring period.

Type of Fee[1]	Amount	Due Date	Remarks
Local Marketing Requirement[3]	Currently one percent (1%) of Gross Sales.	As incurred.	We require you to spend one percent (1%) of your Cafe's Gross Sales on local marketing. Your local marketing spend will be reviewed quarterly. See Item 11. We reserve the right to require you to pay these monies to us or to an agency that we designate, to perform advertising on your behalf.
Additional Site Evaluation Costs	Our reasonable costs and expenses incurred, including travel, lodging and out-of-pocket expenses.	On demand.	We provide up to three (3) on-site visits in connection with the evaluation of each Cafe without you incurring any additional costs. This will include up to two (2) visits for construction review purposes and one (1) visit for site evaluation purposes. If we provide any additional on-site visits, you must also reimburse us for our reasonable costs and expenses incurred, including travel, lodging and out-of-pocket expenses.
Software Costs	Our then-current fee (currently $250-$500)	Payable each month with first Royalty Fee in each month, in the same manner as the Royalty Fee.	These fees are currently collected by us and paid to designated vendors on a monthly basis for certain services. These services may include, but are not limited to, the product ordering platform, franchise communication platform, digital signage solution, PCI compliance platform, listing and reputation management, catering software and learning management platform. The fee may be lower if you are able to demonstrate PCI compliance and eliminate the need for certain compliance software.
Technology Fee	Our then-current fee (initially, up to $200 per month, if we implement this fee).	Payable each month with the first Royalty Fee in each month, in the same manner as the Royalty Fee.	We do not currently collect a Technology Fee but reserve the right to do so. If charged, the Technology Fee is intended to cover any current or future development of web or technology-based platforms, including, but not limited to, improvements to existing technologies such as delivery and takeout platforms, mobile applications and food cost management platforms. We reserve the right to increase this fee on an annual basis.
Late Fees	Lesser of (i) 18% per year or (ii) the maximum lawful rate.	On demand.	We may charge late fees and any bank charges without notice on all overdue amounts. Late fees accrue from the original due date until paid in full. If you have three late payments within any 12-month period, we may terminate the Franchise Agreement whether cured or not.

Type of Fee[1]	Amount	Due Date	Remarks
Insufficient Funds Fee	Our then-current fee (currently $100 per occurrence).	On demand.	We may charge you a fee per occurrence for all returned checks or insufficient funds in any electronic funds transfer account. If you have three incidences of insufficient funds within any 12-month period, we may terminate the Franchise Agreement whether cured or not.
Additional Training & Support Fee	Our then-current fee (currently, the fee is $300 per day per trainer (maximum 8 hours per day), plus reimbursement of reasonable costs of travel, lodging, and other out-of-pocket expenses for our team member(s) providing training).	Before additional training.	An estimation of our team members' travel costs will be provided once training is scheduled. You must also pay the payroll costs for your personnel attending training, and travel, lodging and other out of pocket expenses of your personnel attending training, if the training location is not your cafe.
Remedial Training Fee	The then-current fee plus all costs and expenses (currently, the fee is $300 per day per trainer, plus costs of travel, lodging, and other out-of-pocket expenses).	On demand.	If you ask and/or if we believe it is appropriate or necessary in our sole discretion, we will (subject to availability) provide trained representatives to conduct remedial training on-site at your Cafe or at our training facility, as we determine in our sole discretion. You may be required to attend remedial training if you fail a quality control inspection. An estimation of our team members' travel costs will be provided once training is scheduled. You must also pay the payroll costs for your personnel attending training. Further you must pay travel, lodging and other out of pocket expenses of your personnel attending training if the training location is not your cafe.

Type of Fee[1]	Amount	Due Date	Remarks
Conference Fee	Our then-current fee (currently we charge only our actual cost per person incurred in holding the conference).	On demand.	If we hold a national conference your attendance is mandatory and you are responsible for the registration fee and all travel, food, and lodging expenses that you and eligible personnel incur in attending the meeting or conference.
Transfer Fee	Franchise Transfer: Forty Thousand Dollars ($40,000) flat fee per Transfer. You must also pay our costs and expenses associated with the transfer of your franchise, including training costs, legal fees, and accounting fees.	With transfer request.	There is no fee if the transfer is due to one of your principal's death or permanent disability, but you must pay our costs and expenses, including the use of an escrow service for transfers.
Securities Offering Fee	Our then-current fee (currently $3,000 plus our reasonable costs and expenses associated with our reviewing the proposed offering documents).	Prior to the offering.	You must submit all offering documents related to any proposed public or private sale of securities. Our review is limited to the franchisor and franchisee relationship and information in connection with the System. If the information is inaccurate or incomplete, we may disapprove the offering in our reasonable discretion and the fee will not be refundable. We disclaim any responsibility for reviewing the materials for compliance with applicable securities laws.
Renewal Fee	50% of our then-current standard Initial Franchise Fee.	Signing of renewal franchise agreement.	There are additional conditions for renewal. See Item 17.
Relocation Fee[4]	25% of the then-current standard Initial Franchise Fee, plus our costs and expenses associated with the relocation.	As incurred.	The Relocation Fee is paid to us.

Type of Fee[1]	Amount	Due Date	Remarks
Management Fee	Our then-current fee (currently 10% of weekly Gross Sales, subject to a minimum of $3,000, plus expenses).	Payable weekly out of the Cafe proceeds at the same time and in the same manner as the Royalty Fee.	The Management Fee is paid to us. We have the right to step in and operate your Cafe in certain circumstances, including your death, disability, prolonged absence, default or if, in our judgment, you are mismanaging the Cafe. The reimbursable expenses include travel, lodging and meals. The Management Fee does not replace the Royalty or any other fees chargeable. To the extent we must incur legal fees or legal costs in connection with our exercise of these rights or in the operation of your Cafe, those fees will also be paid out of Gross Sales.
Indemnification	Varies per loss.	On demand.	You must indemnify us when your actions result in loss to us.
Audit Fee[5]	Cost of audit (including legal and accounting fees) and understated amounts, plus interest.	When billed.	We reserve the right to collect our costs (including our travel and other out-of-pocket expenses) to audit your Cafe if you understate the reporting of your Gross Sales by at least two percent (2%) or if the audit is necessitated by your failure to disclose records in accordance with the Franchise Agreement or maintain financial records in accordance with the Franchise Agreement and commonly-accepted industry standards. You must also immediately pay us the additional amounts owing plus Late Fees, commencing from the original date owed to us.
Insurance Fee	Our actual costs and expenses.	On demand.	If you fail to maintain the required insurance, we have the right, but not the obligation, to procure insurance on your behalf and you must reimburse us the premium payment plus our costs, fees and expenses.
Enforcement Costs	Will vary.	As incurred.	You must pay our costs of enforcement (including attorneys' fees and expenses) if you do not comply with, or if you breach, the Franchise Agreement.

Type of Fee[1]	Amount	Due Date	Remarks
Reimbursement of Costs and Expenses[6]	Will vary.	As incurred.	
Liquidated Damages	If we terminate your Franchise Agreement for cause, or if you terminate it without cause, you agree to pay us liquidated damages equal to the monthly average Royalty Fees owed to us during the twelve (12) months of operation preceding the effective date of termination multiplied by (a) 24 (being the number of months in two full years), or (b) the number of months remaining in the term of the Franchise Agreement had it not being terminated, whichever is less.	Within fifteen (15) days after the effective date of termination.	Liquidated damages are paid to us.
Ingredients and Branded Supplies	Will vary	As incurred	You must purchase all dough, pastry, produce, dairy, proteins, cake sheets, dry groceries, dry goods, paper products bearing the Paris Baguette Mark, and packaging from us or our affiliate.
Equipment	Will Vary	As incurred	You must purchase replacement bakery equipment, smallwares and chairs from us, our affiliate, or a supplier designated by us.
Supplier Evaluation	Our costs	As incurred	Payable if you request to utilize a supplier that is not already approved by us.
Compliance Audit	Our then-current fee (currently $250 plus the expenses incurred by our personnel to conduct the reinspection)		If we conduct a compliance audit of your Café and deficiencies are found, you must pay us a fee and you must also reimburse us for our reasonable costs and expenses incurred, including travel, lodging and out-of-pocket expenses for our personnel to conduct a reinspection.

Notes:

(1) All fees and expenses described in this Item 6 are nonrefundable. These fees may not be uniform for franchisees signing the Franchise Agreement. All fees are imposed by and are paid to us or our affiliates. We will automatically draft Royalty Fees, Marketing Fund Fees, and any additional fees or amounts owed to us from your bank account pursuant to the terms of the Franchise Agreement. You must sign the forms we, our bank and/or your bank require to set up electronic funds transfer, and you must make sure that there is a sufficient balance in your account to make payments of Royalty Fees and Marketing Fund Fees and other continuing fees payable to us and/or our affiliates.

(2) "Gross Sales" means the total selling price of all services and products and all income of every other kind and nature related to the Cafe (including, without limitation, income related to catering and delivery operations, special events and the value of any products), whether for cash or credit (treated as a sale when the charge is made and regardless of collection in the case of credit), sales in kind from barter and/or exchange, as well as business interruption insurance proceeds. The following are also included within the definition of Gross Sales, except as otherwise noted: (a) the full retail value of beverages and food items furnished to your employees except for any discounts you extend to your employees; (b) the full retail value of all products sold to customers regardless of the redemption of authorized coupons or vouchers except for any discount applied in connection with national marketing initiatives and approved local initiatives; and (c) the retail value of gift certificates and gift cards, upon redemption. Gross Sales do not include (i) sales taxes you collect from customers of the Cafe, if the taxes are transmitted to the appropriate taxing authority; (ii) tips or gratuities paid directly to your employees by customers of the Cafe or paid to you and turned over by you to your employees in lieu of direct tips or gratuities; and (iii) fees collected by third party delivery services or aggregators prior to remitting payment to you.

(3) You are required to make a contribution to our marketing fund of up to three percent (3%) of weekly Gross Sales (the "Marketing Fund Fee"), as further described in Item 11. Currently, the Marketing Fund Fee is two percent (2%) of weekly Gross Sales. We may change the amounts we require you to pay to the Marketing Fund (not to exceed 3%) as well as the payment frequency and/or measuring period. In addition to the Marketing Fund Fee, we require you to spend one percent (1%) of Gross Sales on local advertising and marketing (the "Local Marketing Requirement"). The total of the Marketing Fund Fee and Local Marketing Requirement will not exceed four percent (4%) of quarterly Gross Sales in the aggregate.

(4) If you relocate your Cafe you will be required to pay us a fee equal to twenty-five percent (25%) of the then-current standard Initial Franchise Fee or twenty-five percent (25%) of the latest Initial Franchise Fee if we no longer offer franchises at the time of relocation. You must also pay any costs and expenses we incur in assisting you to relocate your Cafe including, but not limited to, expenses incurred for labor, salary and travel expenses, professional fees, demographic reports and other costs.

(5) You will keep full and complete records in connection with each Cafe. You must cooperate fully in the audit process. We reserve the right to terminate your Franchise Agreement with cause should you understate your Gross Sales by at least two percent (2%) for any Cafe.

(6) If, after adequate notice, you fail to cure any deficiency in a Cafe and/or your operation of a Cafe, we may, in our sole discretion, correct the deficiency. Should we elect to correct the deficiency, you must reimburse us for our costs and expenses incurred in correcting the deficiency. This shall not be our sole remedy in the event of a breach. We may also charge a fee to cover our costs in connection with mystery shopper programs and you must pay us such costs upon demand.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Low	High	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee[(1)]	$50,000	$50,000	Lump Sum	Upon signing of the Franchise Agreement	Us
Real Estate or Advance Rent and Security Deposit and other Prepaid Expenses and Costs[(2)]	$10,000	$90,000	As Required	As incurred	Landlord or Real Property Owner
Building Costs/Leasehold Improvements[(3)]	$325,000	$1,000,000	As Required	Before Opening	Third Parties (Your Landlord, Architect and/or Contractor)
Equipment and Fixtures[(4)]	$167,956	$315,000	As Required	Before Opening	Us or Approved Suppliers
Signs[(5)]	$7,500	$25,000	As Required	Before Opening	Approved Suppliers
Smallwares[(6)]	$25,000	$30,000	As Required	Before Opening	Us or Approved Suppliers
Point of Sale System, Hardware, Software and Surveillance Equipment[(7)]	$8,000	$14,500	As required	As Incurred	Us or Approved Suppliers
Opening Inventory[(8)]	$40,000	$60,000	Lump Sum	Before Opening	Us or Approved Suppliers
Grand Opening Promotion[(9)]	$12,500	$12,500	Lump Sum	Before Opening	Us or Approved Suppliers

Type of Expenditure	Low	High	Method of Payment	When Due	To Whom Payment is to be Made
Licenses, Permits, Fees and Deposits[(10)]	$4,510	$18,710	As Required	Before Opening	Municipalities, utility companies or Lessor
Miscellaneous Expenses[(11)]	$11,034	$16,000	As Required	As Incurred	Us or Vendors and Approved Suppliers
Insurance[(12)]	$3,405	$4,890	As Required	As incurred	Insurance Provider and Broker/Agent
Attorneys' Fees and Business Consultants[(13)]	$6,535	$12,500	As Required	As Incurred	Us and Attorneys, Accountants, Business Advisors
Travel and Living Expenses While Training[(14)]	$20,000	$65,000	As Required	Before Opening	Airlines, Rental Car Agencies, Cafes, Hotels, etc.
Cost of Goods During Training[(15)]	$4,000	$4,000	As Required	Before Opening	Us/Vendors
Test Fit Drawings and Survey[(16)]	$2,000	$7,000	As Required	Before Opening	Us or Our Affiliates
Additional Funds for First 3 Months of Operation[(17)]	$30,000	$100,000	As Required	As Incurred	Us, Third Parties and Employees
TOTAL[(18)]	$727,440	$1,825,100			

Notes:

(1) Initial Franchise Fee. Unless you are an Area Developer, the Initial Franchise Fee for the first Paris Baguette Cafe is $50,000. Each subsequent Paris Baguette Cafe will incur an Initial Franchise Fee of $40,000. If you are an Area Developer, the Initial Franchise Fee for every Cafe will be $40,000. The Initial Franchise Fee is further discussed in Item 5 and is non-refundable. Your initial investment for each new Cafe depends primarily upon: (1) the number of Cafes you acquire; (2) its size; (3) its configuration; (4) its location; (5) who develops the real estate for you and/or who constructs it; and (6) the amount and terms of financing.

(2) Real Estate or Advance Rent & Security Deposit and other Prepaid Expenses and Costs. You will need approximately three thousand (3,000) square feet or more to operate a Traditional Cafe (or approximately one thousand (1,000) square feet or more to operate a Non-Traditional Cafe). The estimates herein assume you rent

your location (not purchase the real estate). The lower end of the range is typically only possible for a Non-Traditional Cafe, while the higher end of the range represents costs for a Traditional Cafe. Landlords typically require that a lessee pay the first month's rent, the last month's rent and a security deposit equal to one (1) month of rent upon execution of the lease, which we estimate could total between ten thousand to ninety thousand dollars ($10,000 - $90,000). Factors that typically affect your real estate costs include your cost to negotiate your lease (or buy the property), fair market lease values and lease terms in your area, how the costs to renovate or develop the land, building and other site improvements are allocated between landlord and tenant, and interest costs, among others. Lease terms are individually negotiated and may vary materially from one location or transaction to another.

(3) Building Costs/Leasehold Improvements. This amount includes labor and construction (including your architect and general contractor fees) costs and expenses for the improvement of a Traditional Cafe premises with the approximate amount of square footage ranging from 3,000 square feet to 4,000 square feet. We have not estimated the costs to purchase and renovate an existing building, nor have we estimated the costs of new construction. Building costs vary by geographic location. Site development costs include the costs to develop the land and other site improvements, including exterior landscaping, electrical and water hookup, paving, sidewalks, lighting, etc. Some local governments may charge an additional amount for utility connections to offset their costs for maintaining water and sewer plants; these amounts are not included in the above figure. Costs can be higher if soil problems or other environmental issues are encountered. These ranges do not include unusual costs to bring utilities to the property for hookup or government imposed "impact fees." Additional development costs include engineering and legal fees. These estimates do not include extraordinary costs due to extensive redesign, permitting, variances, environmental issues, legal obstacles, etc.

(4) Equipment and Fixtures. This includes all kitchen and dining equipment (coolers, freezers, dough conditioner, oven and deck oven, racks, sinks and dishwashing equipment, shelving, counters, lighting, seating) and interior signage and advertising (*e.g.*, digital menu boards) and other decor in accordance with our standards, specifications, and requirements. The cost of signs depends on the size and location of your Cafe, the requirements of the landlord, and local and state ordinances and zoning requirements.

(5) Signs. The cost of exterior signs depends on the size and location of your Cafe, the requirements of the landlord, and local and state ordinances and zoning requirements.

(6) Smallwares. This includes food prep equipment, mixers, kitchen utensils, dishes, glasses, flatware, pots/pans, food storage containers, trash receptacles and related items.

(7) Point of Sale System, Hardware, Software and Surveillance Equipment. This includes three (3) point of sale systems as required for all Cafes ("POS System"), security surveillance system with closed-circuit television, telephone and high-speed internet access, sound system, software setup, desktop or laptop office computer, printer, and hardware described in Item 11. Toast, our current required vendor for the POS System, offers third party financing through its financing partner.

(8) Opening Inventory. Before opening a Cafe, you must purchase an initial inventory consisting of products from us or our affiliates or suppliers approved by us. The assortment and number of these items will be based upon the size and configuration of your Cafe. The estimated cost for the opening inventory of these products varies for different locations, seasons and the storage capacity of the Cafe. Your initial inventory of merchandise and supplies needed for the operation of the Cafe will include raw ingredients and products for resale, containers and other paper, plastic or similar goods, maintenance and cleaning materials, office supplies and miscellaneous materials and supplies.

(9) Grand Opening Promotion. Grand opening expenditures may include marketing materials, radio broadcasts, giveaways, decorations, mailers and public relations, in addition to a grand-opening celebration.

(10) Licenses, Permits, Fees and Deposits. You must comply with federal, state and local license, certificate and permit requirements for the operation of your Cafe. The requirements of cities and states vary. You should determine what laws apply to you before acquiring a franchise. You must obtain and pay for these licenses and/or permits before opening your Cafe. The costs listed do not include the costs to obtain an optional liquor license, if we approve you to offer alcoholic beverages from the Café.

(11) Miscellaneous Expenses. Miscellaneous costs include pre-opening employment payroll costs, uniforms, utility deposits like gas, water, electricity and telephone, equipment maintenance costs, petty cash, a smartphone and vehicle for site selection and management of your Cafe or multiple Cafes (if you are an Area Developer), and the cost of printing includes the cost of printing flyers, menus, training aid, and job application forms, schedule forms, business card letterheads, envelopes and other forms which must be purchased before or upon the opening of your Cafe.

(12) Insurance. You must purchase and maintain at your sole expenses the insurance coverage that we specify in the Franchise Agreement and Manuals. We anticipate that you will be required to pay your insurance carrier or agent a full annual premium in advance. The chart reflects the estimated annual premium for the required coverage. However, the cost will vary from state to state. You must show proof of coverage meeting the insurance requirements outlined in the Franchise Agreement and Manuals, and you must name us as additional insureds. We reserve the right to reject an insurance certificate that you provide if it does not meet the required limits or standards of quality if, in our sole opinion, the insurance does not sufficiently protect us, you or your customers.

(13) Attorneys' Fees and Business Consultants. We recommend you hire attorneys to form a legal entity that will own the Cafe and/or the development rights and assist in providing legal advice related to the business. You must hire a permit expediter. You may also want to hire other business consultants or accountants.

(14) Travel and Living Expenses While Training. There is no additional charge for the initial training program for your initial Operating Principal, Café Manager and eight (8) to ten (10) food production personnel, however, you must pay for accommodations and travel expenses, if any, for you and your designated employees. You must also pay for training programs conducted during the term of the Franchise Agreement if we believe such training is needed. The above estimated range of costs is for travel and living expenses for your Operating Principal and Cafe Manager and eight (8) to ten (10) food production personnel to attend the Paris Baguette initial training program. Your Operating Principal and Cafe Manager will attend a prescribed eight (8) week operations training program that will include a combination of lecture/video, assessment and on the job training. The food production personnel will attend a prescribed eight (8) week production-based training program that will be a combination of lecture/video, assessment and on the job training. Both operations and production training programs may be conducted during the same eight (8) week term, at our option. Food production personnel who do not pass a test will be required to attend additional training at your cost. Additional training information can be found in Item 11. The amount of time required depends on the individual's ability to personally demonstrate the required competencies. This may increase your cost for travel, hotels and meals for you and/or your designated representative. If you live close to the training facility, your costs will probably be on the lower end of the range. Any wages or salaries that you may pay trainees while they attend training are not included in these estimates. If additional people are required to attend the training (based on the size and scope of your Area Development Agreement), your costs will increase proportionately. You must also maintain worker's compensation insurance coverage for trainees in your employ for the duration of your trainees' engagement in and with our training program(s).

(15) Cost of Goods – Training. You shall be responsible to pay for the costs of the goods used to train you and your personnel during our on-site pre-opening training.

(16) Test Fits and Survey. You shall be responsible for the cost of test fit drawings to adopt our prototype for your individual café. Additionally, if CAD files are not available for your location, you must pay the costs of a survey.

(17) Additional Funds for First Three (3) Months of Operation. This amount includes estimated cost of sales and operating expenses incurred during the initial three months of operation, not including owner's salary/draw and non-Cafe management expenses. Your costs will depend on factors such as: how much you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for our product; the prevailing wage rate; competition; and the sales levels reached during the initial period. This estimate does not include your living expenses. We have prepared this estimate based on our affiliates' experience developing and operating Company-owned Cafes and based on the experience of our franchisees.

(18) Total. Unless otherwise stated, amounts paid to us are not refundable. We do not make any representation regarding whether any amounts paid to third parties are refundable. We do not offer financing of any of the initial investment costs.

YOUR ESTIMATED INITIAL INVESTMENT
(Area Development Agreement)[(1)]

Type of Expenditure	Amount	Method Of Payment	When Due	To Whom Payment Is To Be Made
Area Development Fee[(1)(2)]	$20,000 per Paris Baguette Cafe (Minimum of $80,000)	Lump sum	At signing of Area Development Agreement	Franchisor

NOTES

(1) In order to enter into an Area Development Agreement, you must agree to develop at least four Paris Baguette Cafes. This table provides an estimate of your initial investment for entering into an Area Development Agreement for the right to establish multiple Paris Baguette Cafes. You will sign a separate Franchise Agreement for each Cafe that you develop pursuant to the Area Development Agreement. To determine the cost of opening and operating each Cafe under the first Franchise Agreement to be developed, please refer to the first table in this Item 7, *provided however*, the initial franchise fee listed in the first table in this Item 7 will be reduced to $40,000 for Cafes opened pursuant to an Area Development Agreement.

(2) You will only be required to pay an Area Development Fee if you sign an Area Development Agreement. The Area Development Fee is payable at the time you sign the Area Development Agreement and will be $20,000 multiplied by the number Paris Baguette Cafes in the Development Schedule. The $80,000 estimate in the table is based on a Development Schedule with four Paris Baguette Cafes. If you purchase the right to open more than four Paris Baguette Cafes, the Area Development Fee will be greater. The Area Development Fee is not refundable. However, if you comply with the Development Schedule, $20,000 of the Area Development Fee will be credited towards the reduced $40,000 Initial Franchise Fee due under each Franchise Agreement you sign.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We and our affiliates have spent considerable time, effort and money to develop the System. You must conform to our high and uniform standards of quality, safety, cleanliness, appearance and service. We issue standards and specifications to you. To ensure that you maintain the highest degree of consistency, quality and service, you must operate and develop your Cafe in strict conformance with our methods, standards and specifications and obtain certain goods, services, supplies, materials, equipment and other products, including your uniforms, advertising materials, Point of Sale hardware and computer software, only from us, our affiliates or the suppliers to be designated or approved by us. Our methods, standards and specifications (the "System Standards") are prescribed in our confidential operations manuals and various other confidential manuals and communications prepared by us for your use in operating the Cafe (together, the "Manual" or "Manuals"). We anticipate that our standards will change over time, and we will notify you of these changes by providing an updated version of our Manual or otherwise communicating them to you in writing. You are expected to adhere to these changes.

Currently, except as described below, you 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, but not limited to, computer hardware and software), inventory or real estate used in establishing or operating the Cafe.

Required Purchases

You must purchase all of your opening inventory, dough, pastry, produce, dairy, proteins, cake sheets, dry groceries, dry goods, paper products bearing the Paris Baguette Mark, chairs, approved bakery equipment, smallwares and packaging, from us or from one of our approved suppliers and vendors. Currently, we or our affiliates are the only Approved Suppliers (as defined in the following section) for these items. The price of dough and other supplies may include a delivery charge or we may require you to pay a third party delivery service directly for such costs. Delivery costs may vary depending upon the distance of a franchisee from our warehouse or the location of the supplies. However, not all supplies, including dough, may be available for delivery to your Cafe. If any such supplies are not available for delivery, we may permit and or require you to create Paris Baguette bakery products at your Cafe using our recipes, and you may be required to purchase alternative approved supplies and special equipment.

We may permit or require you to maintain merchandise identifying the System available for resale in the Cafe. This may include, but is not limited to, Paris Baguette memorabilia, like caps, t-shirts, and coffee mugs. If we permit or require you to maintain such merchandise, we may require you to purchase it from us or a supplier we designate (including an affiliate) in amounts necessary to meet your customer demand.

We may require you to purchase required software programs through us to be utilized in the operation of your Café. You must also obtain test fit drawings, surveys and permit expediter services through us.

If we believe your Cafe and its personnel have the experience and know-how to do so successfully in strict compliance with System Standards, we may permit or require you to provide catering and delivery services from your Cafe. If we authorize you to provide catering and delivery services, we reserve the right to require you to use our catering and delivery platform exclusively, and/or to specify any third-party catering and delivery providers that you may use.

Purchases Per our Specifications

All other food products, supplies, equipment, furnishings, decor, signs and materials of your Cafe and services to your Café must meet our specifications, standards, and requirements. You must purchase these items from suppliers that we approve, including manufacturers, distributors and other providers of goods and services ("Approved Suppliers"). Failure to comply with this requirement will constitute a default under your Franchise Agreement. Currently, the list of Approved Suppliers is published via our online communication platform. From time to time as we deem appropriate, we may revise or modify our list of approved suppliers by updating our Manual, updating the list on our online communications platform, or otherwise communicating the list to you in writing.

Approved Suppliers

All architect and general contractor services for the construction or remodeling of your Cafe must be approved by us. If we have Approved Suppliers for any supplies, materials, fixtures, furnishings, equipment (including computer hardware and software and online ordering and delivery platforms), services and other products used or offered for sale at the Cafe, you must obtain these items from those suppliers. Approved Suppliers are those who demonstrate the ability to meet our then-current standards and specifications, 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. We may change the number of Approved Suppliers at any time and may designate ourselves, an affiliate, or a third party as the exclusive source for any item. We may profit from your purchases from Approved Suppliers, and we and/or our affiliates may receive payments, fees, commissions or reimbursements from Approved Suppliers in respect of your purchases.

If we require that an item be purchased from an Approved Supplier and you wish to purchase it from a supplier we have not approved that you believe meets our criteria, you 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 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 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. You must reimburse us for the costs that we incur in the supplier approval process. Nothing requires us to approve any supplier and we are not required to notify you of our approval or disapproval within any specified period. We generally approve or disapprove a proposed supplier within ninety (90) days of the date on which we receive all information we request in connection with the proposed supplier. We do not maintain criteria for approving alternative suppliers.

As noted above, we, through our affiliates, have commenced exclusively supplying dough and certain other restaurant supplies to franchisees. As of the date of this disclosure document, none of our officers owns an interest in any other suppliers. However, from time to time, our officers may own non-material interests in publicly-held companies that may be direct or indirect suppliers to our franchise system.

Advertising and Promotional Materials

All of your advertising and promotions must conform to our System Standards and must be purchased from us or an Approved Supplier. Any advertising and promotional materials not prepared by us must be approved prior to your use. The complete creative approval process, as it may be updated from time to time, can be found in our Manuals.

Point of Sale and Required Software

You are required to buy and use at least three (3) Point-of-Sale (POS) computer systems, approved by us, and install and run the POS software, along with the credit card processing software and hardware systems. You must also install and maintain at least one (1) laptop or desktop computer at the Cafe for general business purposes and a security system with closed-circuit television. All of your employees must sign documentation acknowledging that they may be recorded and/or may be subject to monitoring and agreeing to same.

Insurance

You must obtain and maintain insurance policies as required by us in the Manuals, as may be amended from time to time, 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 Cafe. These policies currently include:

- comprehensive general liability insurance, including broad form contractual liability, broad form property damage, personal injury, advertising injury, liquor liability (if there is a liquor license), completed operations, products liability and fire damage coverage, with limits no less than $1 million per occurrence and $2 million in the aggregate;
- special form coverage for Business Personal Property and Improvements and Betterments (as such terms are defined in the Franchise Agreement) of the Cafe premises and all other property in which Franchisor may have an interest with limits no less than the build-out cost, plus the Business Personal Property, plus Inventory (as such terms are defined in the Franchise Agreement);
- automobile liability coverage with limits no less than $1 million combined single limit;
- umbrella coverage with limits no less than $4 million per occurrence and $4 million in the aggregate;
- business income/interruption coverage providing for continued payment of all amounts due or to become due to Franchisor under the Franchise Agreement;
- employment practices liability insurance coverage with limits no less than $1 million dollars;
- statutory workers' compensation insurance with limits no less than required by law;
- disability insurance with limits no less than required by law;
- cybersecurity insurance with limits no less than $100,000 per location (and with $0 deductible); and
- such other insurance as may be required by the landlord of the premises at, and by the state or locality in, which the Cafe is located.

If you will be engaging in any construction, renovation or build-out of the premises for the Cafe, either you or your third party contractor must have in force for the duration of said project, Commercial General Liability insurance and Worker's Compensation and Employer's Liability insurance in the amounts listed above as well as Builder's Risk insurance in an amount approved by us.

These policies must be written by responsible insurance carriers rated "A" or better by the A.M. Best Company, Inc. and that are acceptable to us. We may periodically change the amounts of coverage required under the insurance policies and require different or additional kinds of insurance at any time. Each certificate of insurance must include a statement by the insurer that the policy will not be canceled, subject to nonrenewal or materially

altered without at least thirty (30) days written notice to us. All insurance policies, with the exception of workers' compensation and disability insurance, must name us and other parties that we designate, as additional insureds under a separate endorsement using ISO form CG2029 or an equivalent endorsement (no blanket additional insured language is acceptable). You must provide us with evidence of your compliance as provided by the Franchise Agreement.

Purchasing Arrangements

During the 2024 fiscal year, we had revenue of $71,859,603 from the sale of required products and services to then-existing franchisees. These sales represented 74.8% of our total revenue of $96,066,182.

We have negotiated certain purchase arrangements (including price terms) for the purchase of certain items with suppliers. In doing so, we seek to promote the overall interests of our System and our interests as the franchisor. We and our affiliates have the right to receive rebates or other payments from approved or designated suppliers based on purchases by franchisees in the United States. During 2024, we received payments of approximately $517,967.42 from a third-party distributor due to purchases by Paris Baguette Cafes.

We do not provide material benefits to franchisees based upon their purchase of products or services or their use of designated or approved suppliers. Franchisees are required to participate in a distribution arrangement with Sysco corporation.

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. We estimate that "required purchases" will represent 95% of your total purchases and leases required both in the establishment of the Cafe and in the operation of the Cafe.

REMAINDER OF PAGE LEFT INTENTIONALLY BLANK

ITEM 9
FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Franchise Agreement, Area Development Agreement and other agreements. It will help you find more detailed information in connection with your obligations in these agreements and in other items of this disclosure document.

Obligation	Section in Franchise and Area Development Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	FA (Section 2) FA (Section 18.A(8)) FA (Attachment F) FA (Attachment G) DA (Section 5.A) DA (Section 6.G)	Items 7, 8 and 11
b. Pre-opening purchases/leases	FA (Section 2.E) FA (Attachment G) DA (Not Applicable)	Items 5, 6, 7, 8 and 11
c. Site development and other pre-opening requirements	FA (Section 2.C, 2.D) DA (Section 6.G)	Items 1, 7, 8 and 11
d. Initial and ongoing training	FA (Section 5.H) FA (Section 5.J) FA (Section 6.F) DA (Section 5.B) DA (Section 6.F)	Items 5, 6, 7 and 11
e. Opening	FA (Section 2.D, 2.E) DA (Section 6.G(5))	Items 6, 7 and 11
f. Fees	FA (Section 4) FA (Section 8) DA (Section 2)	Items 5, 6 and 7
g. Compliance with standards and policies/Manuals	FA (Section 7.A) DA (Section 5.C)	Items 8, 11, 14, 15 and 16
h. Trademarks and proprietary information	FA (Section 9) FA (Section 10) DA (Section 1.D) DA (Section 9.A)	Items 11, 13 and 14

Obligation	Section in Franchise and Area Development Agreement	Disclosure Document Item
i. Restrictions on products/services offered	DA (Section 1.D)	Items 8, 11 and 16
j. Warranty and customer service requirements	FA (Section 7.J) DA (Not Applicable)	Item 16
k. Territorial development and sales quotas	FA (Not Applicable) DA (Not Applicable)	Item 12
l. Ongoing product/service purchases	FA (Section 7.D) FA (Section 7.E) DA (Not Applicable)	Items 6, 8, 11 and 16
m. Maintenance, appearance and remodeling requirements	FA (Section 7.B and 7.C) DA (Not Applicable)	Item 8 and 11
n. Insurance	FA (Section 12.A) DA (Not Applicable)	Items 6, 7 and 8
o. Advertising	FA (Section 8) DA (Not Applicable)	Items 6, 7, 8 and 11
p. Indemnification	FA (Section 15) DA (Section 11.A)	Item 6
q. Owner's participation/ management/staffing	DA (Section 6.C) DA (Section 6.E)	Items 1, 11 and 15
r. Records and reports	FA (Section 11) DA (Not Applicable)	Items 6 and 11
s. Inspections and audits	FA (Section 11.C) DA (Not Applicable)	Items 6 and 11
t. Transfer	FA (Section 14) DA (Section 8)	Items 6 and 17
u. Renewal or extension of rights	FA (Section 3.B) DA (Not Applicable)	Items 6, 12 and 17

Obligation	Section in Franchise and Area Development Agreement	Disclosure Document Item
v. Post-termination obligations	FA (Section 18) DA (Section 7.F)	Item 17
w. Non-competition covenants	FA (Section 10.C) DA (Section 9.B)	Items 15 and 17
x. Dispute resolution	FA (Section 19.G) FA (Section 19.H) DA (Section 12.F)	Items 15 and 17
y. Personal Guaranty	FA (Section 6.D) FA (Attachment A) DA (Sections 6.D) DA (Section 6.E) DA (Attachment A)	Items 1 and 15

ITEM 10
FINANCING

Neither we nor any of our agents or affiliates offer any direct or indirect financing to you or guarantee any note, lease or obligation for you.

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

Except as described below, Paris Baguette Family Inc. is not required to provide you with any assistance.

Pre-Opening Assistance

Before you open your Cafe, we or our designee will:

1. Designate your Protected Area or Development Area, as applicable. (Site Addendum to Franchise Agreement and Section 1(C); Area Development Agreement Section 1(B)).

2. Provide up to three (3) site visits in connection with the site evaluation of your Cafe without additional charge, including one (1) visit for site evaluation and up to two (2) visits for construction consultation. (Site Addendum to Franchise Agreement Section 5(I); Area Development Agreement Section 5(A)(2)).

3. Provide you with access to a copy of our standard architectural and prototypical design plans. (Site Addendum to Franchise Agreement Section 2(D)(1); Area Development Agreement Section 5(A)(3)).

4. Review and approve or disapprove your architectural and design plans. (Franchise Agreement Section 2(D)(4)).

5. After you sign the Franchise Agreement, provide you with access to one (1) set of our Manuals. (Franchise Agreement Section 5(A); Area Development Agreement, Section 5(C)).

6. Provide you with a list of our required lease/real estate purchase agreement terms and approve or disapprove your lease or real estate purchase agreement. (Attachment G to Franchise Agreement; Attachment G to Area Development Agreement).

7. Provide you with a list of our Approved Suppliers. (Franchise Agreement Section 5(G)).

8. Provide you with specifications for the inventory, products, supplies, goods, fixtures, equipment, smallwares, furnishings, signage and/or decor to be installed or purchased in connection with constructing, remodeling or decorating your Café and provide you with your opening inventory, bakery equipment, chairs and smallwares, upon receipt of payment for same. (Franchise Agreement Section 7(D)).

9. Conduct an initial training program for your Operating Principal, Cafe Manager and eight (8) to ten (10) food production personnel at a designated training center. (Franchise Agreement Section 5(H); Area Development Agreement, Section 6(F)(1)).

10. Provide in-Cafe assistance for new Cafe locations by sending two (2) of our Cafe operations personnel and three (3) of our food production personnel to assist you at your Cafe for a prescribed period of time before you open for business, on opening day and three (3) days after opening day without additional charge (except for our out-of-pocket expenses and the cost of goods during the in-cafe training period). Notwithstanding the foregoing, if you are opening a Café in a market that we deem, in our discretion, to be a new market, we may elect to provide you with additional days of in-Café opening assistance. If you become a franchisee by acquiring a Paris Baguette Cafe from us or another Paris Baguette franchisee, we are not obligated to provide the aforementioned assistance. If we elect to provide such assistance, in our sole discretion, the cost of same will be borne by the transferee. We will provide operations and BOH training to new operators and general managers either digitally or in a Paris Baguette Training Center. (Franchise Agreement Section 5(I)).

11. Approve or disapprove any initial advertising or marketing materials, business forms, stationery, business cards or other forms you intend to utilize in connection with your grand opening or otherwise and assist with facilitating the grand opening campaign. (Franchise Agreement Section 8(F)).

Typical Length of Time Before You Open Your Paris Baguette Cafe

We estimate that it will be approximately twelve (12) months from the time you sign the Franchise Agreement to the time you begin operations. This time may be shorter or longer depending on site availability, permitting, and the modifications that must be made to the site to accommodate your Cafe. You must begin business within three hundred and sixty-five (365) days after signing the Franchise Agreement (366 days in a leap year), unless we give you a prior, written extension. All pre-opening obligations and schedules must be met prior to opening. We reserve the right to formally approve your Cafe prior to opening. (Franchise Agreement, Section 2(D)). However, even though the Franchise Agreement will be effective upon execution, your ten (10) year term under the Franchise Agreement will not commence until the opening of the Cafe. If you fail to open the Café within three-hundred and sixty-five (365) days from the time you sign the Franchise Agreement (plus any extensions we grant to you, including an additional day in a leap year) we may terminate your Franchise Agreement.

Continuing Assistance

After your Cafe or Cafes open we will:

1. At our sole discretion, conduct periodic evaluations and quality control inspections of your Cafe and operations. (Franchise Agreement Section 2(C)(5)).

2. Administer the Marketing Fund (for so long as we maintain one, in our discretion) and provide any advertising and promotional materials we develop for local marketing and advertising. (Franchise Agreement Section 8(C)).

3. At our discretion, give you advice and written materials we may develop on the techniques of managing and operating the Cafe and provide you with any updates to the Manuals and any other materials prepared by us for use by our franchisees as we deem advisable. We do not currently, but may in the future, assist you in establishing prices and we reserve the right to set maximum or minimum pricing for certain items. Franchise Agreement Section 5(E)).

4. At our discretion, make available to you any merchandise we develop or approve for resale. (Franchise Agreement, Section 5(F)).

5. Maintain updated lists of approved items (which may include equipment, fixtures, inventory and supplies) and updated lists of approved suppliers for such items and provide the lists to you as we deem appropriate. (Franchise Agreement, Section 7(D).

6. Supply you with all items for which we or our affiliates are the sole supplier, which currently includes dough, pastry, produce, dairy, proteins, cake sheets, dry groceries, dry goods, paper products bearing the Paris Baguette Mark, bakery equipment, chairs and packaging.

7. Provide additional training programs and seminars at our sole discretion at a designated training center. (Franchise Agreement, Section 6(F)(1)).

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

9. In our discretion, provide you, or have a designated third party provide you, with an email address and design, update and host our Website, which may contain a webpage for the promotion of your Cafe. (Franchise Agreement Section 7(H)).

10. Periodically and in our sole discretion, amend or establish and enforce System Standards. (Franchise Agreement Section 5(C)).

11. Periodically and in our sole discretion, provide advice concerning operations, new techniques or operating methods for the Cafe, and use of the Manual. (Franchise Agreement Section 5(E)).

We are not required to provide any other service or assistance to you during the continuing operation of your Cafe.

Location Selection

You must obtain our approval of your proposed site before you enter into a lease or real estate purchase agreement for the Cafe premises. If we have not already agreed on a Location for your Cafe at the signing of the Franchise Agreement, then you must locate and propose a site for the Cafe that satisfies our site selection requirements within a Search Area. The Search Area is delineated for the sole purpose of site selection and does

not provide any territorial exclusivity or protection. We must review all leases, sub-leases or real estate purchase agreements for your Location before you sign them, to ensure that the site meets our then-acceptable criteria which have been established for our own purposes. We do not generally own premises to lease to franchisees but reserve our right to do so. You must locate a site meeting our criteria and submit site information within ninety (90) days of signing the Franchise Agreement.

When you identify a proposed Location, you must use our site submission form to submit a description of the Location, evidence that the Location satisfies our site selection guidelines, and any other information we may require, including, for example, a letter of intent signed by you and your potential landlord. We will review your proposed site for compliance with our then-current site selection guidelines and will accept or not accept the site within thirty (30) days after receiving your site information. (Area Development Agreement Section 5(A); Franchise Agreement Site Addendum Section 2(B)). In reviewing your proposed site, we consider various factors, including the condition of the building, the location of the site, population, and other demographic factors. Our acceptance indicates only that we believe that the site meets our then-acceptable criteria which have been established for our own purposes. Our acceptance of a site does not guarantee that a Paris Baguette Cafe will be profitable or successful at that Location. (Area Development Agreement Section 5(A)(2); Franchise Agreement Section 2(A); Franchise Agreement Site Addendum Section 2(B)).

If you and we cannot agree on a site, or if you fail to receive written acceptance from us for a Location within the timeframe set forth in the Site Addendum to the Franchise Agreement, then we may, but are not obligated to, terminate the Franchise Agreement. (Franchise Agreement Section 17(C)(2)); Site Addendum Section II(C)). If we decide to terminate the Franchise Agreement, then your Initial Franchise Fee will not be refunded. (Franchise Agreement Section 4(A)).

Lease Acceptance

You must lease or purchase a Location within sixty (60) days of our acceptance of your Location. Any lease or sublease for the Location must meet our criteria. We require certain specific conditions prior to accepting your Location, including provisions relating to subleasing, rental terms, signage, default notice, use and our rights upon default and lease assumption, substantially in the form attached to the Franchise Agreement as Attachment G. We may also require that your lease term is coterminous with the Franchise Agreement term. Unless you negotiate these provisions into your real estate lease to our satisfaction, you must obtain an executed lease rider from your landlord substantially in the form attached to the Franchise Agreement as Attachment G. You must deliver a copy of the signed lease or sublease to us within three (3) days of your signing. You agree not to sign or agree to any modification of the lease or sublease that would adversely affect our rights without our written acceptance. Our acceptance does not in any way guarantee, represent or warrant your success at that Location or that you will generate any specific level of sales. (Area Development Agreement Section 5(A); Franchise Agreement, Site Addendum; Franchise Agreement, Lease Addendum Terms).

Advertising Generally

We may, but are not obligated to, develop marketing and sales promotion programs designed to promote all or certain groups of Paris Baguette Cafes. We may also develop gift card, gift certificate, customer loyalty or retention, or special promotional programs. You must honor all gift cards presented to you regardless of where or how the gift card was originally purchased. You are required to participate in all advertising and promotion programs that we elect to develop. Any advertising and promotional materials not prepared by us must be approved

by us or a vendor approved by us prior to your use. The complete creative approval process, as it may be updated from time to time, can be found in our Manuals. (Franchise Agreement Section 8(G)).

Grand Opening Promotion

For a period of three (3) consecutive months, beginning one (1) month before your Cafe opens, you must advertise your Café through a grand opening promotion in accordance with our standards, including those related to the type and size of the grand opening promotion. Only approved marketing and advertising materials may be used in connection with such grand opening promotion. You must spend a minimum of twelve thousand five hundred dollars ($12,500) to cover the costs for the Cafe's grand opening promotion, which we will consult on. We reserve the right to require you to pay these monies to us or our affiliate to be used on your behalf. A grand "re-opening" will be required in the event of a change in ownership or a remodel.

Local Marketing Requirement

Currently, we require you to spend one percent (1%) of your Gross Sales on local marketing (the "Local Marketing Requirement"). We encourage you to spend more on local marketing than the Local Marketing Requirement.

Within fifteen (15) days following the end of each calendar quarter, you must provide us with a report accurately reflecting your local advertising and marketing expenditures for the preceding quarter. Local advertising and marketing may include expenditures on digital ads, meta ads, POP, collateral, radio, newspapers, magazines, billboards, posters, banners, brochures, direct mail, advertising on public vehicles and other types of marketing designated in the Manuals and approved by us in accordance with our creative approval process described in the Manuals. Expenditures for any of the following other local promotional activities may not be included for purposes of the Local Marketing Requirement, unless we approve them in writing: (i) sponsorships; and (ii) donations. We reserve the right to require you to pay the Local Marketing Requirement funds to us or to an agency that we designate, to perform advertising on your behalf. (Franchise Agreement, Section 8(C)). If you fail to expend the required minimum amount for local promotions, then any amounts that you should have expended to fulfill the requirement must be contributed to the Marketing Fund at such times as we specify, which is not our exclusive remedy.

You may be asked to participate in marketing tests and surveys. In the event that you are approved to participate, you may be required to enter into an agreement that outlines all the requirements for marketing tests and surveys. All test and survey requirements, processes and procedures must be adhered to and any applicable costs will be our responsibility. You must provide complete data statistics on the tests or surveys for our review and evaluation. Since such tests and surveys involve the evaluation and analysis of product pricing in a test environment, we will recommend pricing to effectively evaluate the full scope of the test. (Franchise Agreement, Section 8(H)).

Marketing Fund

We or someone we designate will administer the Marketing Fund. We will direct all promotional programs, including the creative concepts, materials and media used in the programs. We may seek your advice either formally or informally regarding the creative concepts and media used for initiatives financed by the Marketing Fund but it is not binding on us and we are not required to follow any advice we seek. We may use the Fund to satisfy the costs of maintaining, administering, directing, preparing and producing marketing. This includes the cost associated with developing, maintaining and updating our website, of preparing and producing television,

radio, magazine, online (internet, email, social media, virtual worlds) and newspaper/print marketing campaigns; direct mail and outdoor billboard advertising; public relations activities; developing promotional materials; mystery shopper programs (which may include call recording); market research; talent fees; employing advertising agencies; and costs of our personnel and other departmental costs for advertising that we administer or prepare internally. We are not required to make expenditures directly or indirectly for you that are equivalent or proportionate to your Marketing Fund contribution or to ensure that any franchisee or any geographic region benefits directly or pro rata from the placement of advertising. Except for a portion of the Marketing Fund spent on website development and maintenance (a portion of which may include soliciting the sale of franchises using the website), the Marketing Fund is not used to solicit the sale of franchises, although we reserve the right to include "Franchises Available" or similar language with our contact information on any advertising purchased or created with Fund monies. We currently do not have a marketing council composed of franchisees. We anticipate that Marketing Fund marketing will be conducted primarily through electronic or print media on a regional or national basis and that the majority of our marketing will initially be developed in-house. (Franchise Agreement, Section 8(E)).

In addition to the Local Marketing Requirement, you must pay a Marketing Fund Fee, currently set at two percent (2%) of weekly Gross Sales. Under the Franchise Agreement, we have the right to increase the Marketing Fund Fee to a maximum of three percent (3%) of Gross Sales. The total of the Marketing Fund Fee and Local Marketing Requirement will not exceed four percent (4%) of quarterly Gross Sales in the aggregate. (Franchise Agreement, Section 8(B)).

We had Marketing Fund expenditures in 2024 in the amount of $9,360.395. Of this amount, 4.5% was spent on production & creative, 74% was spent on media (such as advertising, promotions, integrations, POP), 9.3% was spent on agency fees, 7.1% was spent on digital platforms and services, and 5.1% was spent on administrative expenses. We may hold Marketing Fund monies in a separate account or in our general account, but we will account for the Marketing Fund separately from our other funds. We will not use your Marketing 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 Marketing Fund. We will prepare an annual financial statement of the Marketing Fund's operations and will make it available to you upon written request. We are not required to have the Marketing Fund financial statements audited. (Franchise Agreement, Section 8(E)(5)).

Any unspent accrued Marketing Fund fees for any calendar year will be used in the next calendar year, but such surplus will not reduce otherwise required contributions. If we advance any amount to the Marketing Fund, we will be entitled to be reimbursed for any such advances. Although the Marketing Fund is intended to be perpetual, we may terminate it at any time. We will not terminate the Marketing Fund, however, until all money in the Marketing Fund has been spent for advertising or promotional purposes or returned to the contributors based on their respective contributions. (Franchise Agreement, Section 8(E)(7)).

All franchisees contribute to the Marketing Fund at the same rate. Paris Baguette Cafes operated by us and our affiliates may, but are not required to, contribute to the Marketing Fund on the same basis as franchisees.

Gift Card and Loyalty Programs

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

Marketing Cooperatives

We can designate any geographic area where two (2) or more company-owned or franchised Cafes are located as a region for a marketing cooperative ("Cooperative"). If we do, the Cooperative must be organized and governed as we determine. Any Cooperatives we authorize will be for the exclusive purpose of administering marketing programs and developing promotional materials for members in local marketing. If a Cooperative is established for an area that includes your Protected Area (as defined in Item12 below), you must become a member of the Cooperative and participate in the Cooperative by contributing the amounts required by the Cooperative's governing documents. However, you will not be required to contribute more than the amount you would otherwise be required to spend on local marketing and your Cooperative contribution will be applied toward satisfaction of your local marketing requirement. You must also submit to the Cooperative and to us all statements and reports that we or the Cooperative may require. Cooperative contributions will be maintained and administered under the Cooperative's governing documents and the Cooperative will be operated solely as a conduit for the collection and expenditure of marketing contributions. (Franchise Agreement Section 8(D)).

Advisory Council

We have created an advisory council to assist us with various components of our System, including products and services offered by Cafes, marketing and promotion, training, and other aspects of the System. The council acts in an advisory capacity only and will not have decision making authority; our decisions will be final, and we will have no liability to the advisory council or any franchisee with respect to any decision we make. We will have the right to form, change, merge and dissolve any advisory council at any time in our sole discretion. (Franchise Agreement Section 8(I)).

Members of an advisory council will include our representatives and franchisee representatives. The franchisee representatives may be chosen by us or may be elected by other franchisees in the System, at our sole discretion. If you are chosen and agree to participate on an advisory council, you will pay all costs and expenses you incur related to your participation, including travel, lodging and meals expenses for attending council meetings. (Franchise Agreement Section 8(I)).

Website and Social Media

You may not establish or use any email distribution list, domain name, e-commerce listing, or Social Media Platforms (defined as web-based platforms such as Facebook, Myspace, Twitter, LinkedIn, Instagram, TikTok, YouTube, Foursquare, blogs and other networking and sharing sites and virtual worlds), or use any Social Media Materials (defined as any material on any Social Media Platform that makes use of any of the Proprietary Marks, any of the IP, and/or our name, brand, products or your franchise whether created by us, you or a third party), except as we expressly approve or require. If we do require or permit your use of Social Media Platforms, you must strictly comply with the usage guidelines that we may develop and update. (Franchise Agreement, Section 7(I)). We may restrict, limit, control or designate nearly every aspect of your use of websites, the Internet, intranets, worldwide web home pages or e-mail, and require you to participate in a centralized website. (Franchise Agreement Section 7(H)).

POS System, Computer System and Security System Requirements

You are required to buy for use at least three (3) designated POS Systems approved by us. The main functions of the POS System are to act as a cash register and collect and manage all information in connection with the various sales transactions at your Cafe, including detailed sales data, product mix, prices, coupons, discounts, taxes and other sales information. (Franchise Agreement Section 7(G)). You are required to maintain your credit

card processing hardware and software in compliance with the Payment Card Industry (PCI) Data Security Standard. You must also maintain Internet service that allows you an unlimited Internet connection, email and online communication abilities as we require. We estimate that the initial cost for three (3) POS Systems will be between $2,500-$4,000 including installation.

You must install and run the POS software and pay the associated licensing fees as well as the licensing fees for other software mandated by us, including fees for the product ordering platform, franchise communication platform, digital signage solution, PCI compliance platform, and learning management platform. Currently, the required software licensing fees range from $500-$700 per month (a portion of this Fee may be required to be paid directly to vendors on a monthly basis for certain services, in our discretion).

You must also install and maintain at least one (1) laptop or desktop computer at the Cafe for general business purposes. The computer must be equipped with computer hardware components, software, and peripherals (such as printer and scanner) that we require. We estimate that the computer hardware, a printer/scanner, and general accounting and/or bookkeeping software and word processing software (the "Computer System") will have an initial cost between $800-$2,000. There will be a software setup fee in connection with the initial installation of necessary software of between $1,200-$1,500. We also require you to purchase a security system with closed-circuit television which meets our standards and specifications (the "Security System"). We estimate that the Security System will have an initial cost between $3,500-$7,000. (Franchise Agreement Section 7(D)).

We have no obligation to provide any maintenance, repairs, upgrades or updates to you. However, your equipment may not function properly within our system without required updates. You must purchase and maintain software maintenance and support for your Computer System and Security System. (Franchise Agreement Section 7(B)). You must replace, upgrade and maintain these systems at your sole expense. (Franchise Agreement Section 7(C)). Ongoing software maintenance and feature updates will be provided by the POS System through the purchased monthly software service fees. There may be additional fees associated with upgrades to the POS System, Computer System and Security System. You are contractually required at your expense to change, add, upgrade and update the POS System, Computer System, Security System and any required software to remain in compliance with our standards and specifications. (Franchise Agreement Section 7). There are no contractual limitations on the frequency and cost of this requirement. We estimate that a maintenance or support service contract for the Computer System and for the Security System cost $600 per year, for each System, but you will need to contact your vendor or Approved Suppliers to determine the scope of the services they offer and the actual cost of those services. We do not currently charge a Technology Fee, but we reserve the right to do so. If we decide to charge such a fee it is intended to cover the costs of developing certain web-based or technology-based programs, including, but not limited to, improvements to existing technology. These developments and/or improvements may result in increased or additional fees. If we choose to offer any services or support related to your technology, we reserve the right to discontinue any service or support we may offer for any system at any time for any reason or to change any required vendors for the products or services at any time for, any reason.

We have the right to electronically and manually access the information that the POS System, Computer System and Security System generates. You must cooperate with us in helping us access this information. We will have independent access to your sales information and data produced by your POS System. There are no contractual limitations on our right to access this information and data. Your data may be shared by us with third parties and/or the System franchisees. You will be responsible for all costs associated with any computer systems including, but not limited to, accessing the Internet. (Franchise Agreement Section 7(G)).

You must install and maintain a high-speed internet connection (currently cable or FIOS with a minimum of 100 Mbps download speed and 25 Mbps upload speed), and standard software such as a reputable internet browser and e-mail capability. If we provide you with an e-mail address, we expect you to check that account

regularly and use it for all electronic communications involving your Cafe. We own all Paris Baguette e-mail addresses that you are permitted to use and we have full access to all communications sent and received using those addresses. You must also install a telephone system at the Cafe(s) that meets our specifications. We anticipate the cost of this to be approximately $23.00 per month and the set-up cost to be approximately $22.00. (Franchise Agreement Section 7(B), (E)(5)). You must accept orders from our mobile application or any other platform or ordering method designated by us.

Except for providing you with a list of our Approved Suppliers and applicable specifications and standards, and collecting certain software fees on behalf of vendors, as we choose to do in our discretion, we are not obligated to provide or assist you in obtaining any of the above items or services.

Operations Manual

We will provide you with access to a copy of our Manuals, which are currently provided via FranConnect. If printed, the Manuals contain an estimated 157 pages in total, and the number of pages devoted to each topic are reflected in the Table of Contents for the Manuals, which is attached to this Disclosure Document as Exhibit F. The contents of the Manual are proprietary, and you must treat it as confidential. The Manuals contains mandatory and suggested specifications, standards and operating procedures. The Manuals are on loan to you and remains our property. You may not make any copies of the Manuals. We may revise the Manuals from time to time by posting the revisions electronically or by providing you with them by electronic mail or by other written or electronic communication, including the Internet. You must abide by all revisions. You are prohibited from copying or distributing the Manuals in any manner whatsoever. You must only use the information contained in the Manuals to manage the Cafe and may not use such information for any other purpose.

Training Materials

The instructional materials used in training may include manuals, PowerPoint presentation, handouts, demonstrations, quizzes, classroom lectures and discussions. Prior to beginning your training, we will provide to you access to our training materials, including the Manuals. Like the Manuals, the training materials contain mandatory and suggested specifications, standards and operating procedures, are highly confidential, are provided to you on loan, and remain our property. You may not make any copies of the training materials. You are prohibited from copying or distributing the training materials in any manner whatsoever. You must only use the information contained in the training materials to manage the Cafe and may not use such information for any other purpose.

Training

Before the date your Cafe opens for business to the public ("Opening Date"), your Operating Principal, Cafe Manager (if applicable) and eight (8) to ten (10) food production employees, must have attended and satisfactorily completed our initial training program. (Franchise Agreement Section 6(F); Area Development Agreement Section 6(F)).

If the Opening Date for your first Cafe is more than one month after your initial training program has ended, we may require your operations personnel and food production personnel to attend additional on-the-job training for a time to be determined by us. There is no fee for this additional on-the-job training, but you must pay your costs and expenses for you and your personnel to attend.

Any successor or replacement Operating Principal, Cafe Manager or food production personnel must successfully complete our initial training program within ninety (90) days from when such persons are designated. You and the persons we designate are also required to attend mandatory on-going training which may occur up to

twelve (12) times per year, the purpose of which is to update you on new products and developments. You must pay your costs and expenses for you and your designated personnel to attend any such trainings.

Currently, our training is directed by Michelle Jagroop who has over 6 years of experience with Paris Baguette and over 25 years of experience in her field and will be conducted by qualified members of Paris Baguette staff who have at least 2 years of experience conducting operations, management, and employee training. We may also draw upon the experience of other training professionals.

At our sole discretion, 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 Paris Baguette Cafes. The subjects covered and other information relevant to our initial training program are described below:

INITIAL TRAINING PROGRAM

The following table describes training for operator/managers:

Subject	Hours of Classroom Training*	Hours of On the Job Training	Location
Orientation / Brand / Introduction / Customer Service	8	20	Classroom training occurs at our Moonachie, New Jersey, Santa Clara or Costa Mesa, California training Centers, and/or online. On-the-job training occurs at the café to-be opened or at our training locations in the United States that we designate during the Term.
BOH Theory	8	0	Classroom training occurs at our Moonachie, New Jersey, Santa Clara or Costa Mesa, California training Centers, and/or online.
BOH Production	64	20	Classroom training occurs at our Moonachie, New Jersey, Santa Clara or Costa Mesa, California training Centers, and/or online. On-the-job training occurs at the café to-be opened or at our training locations in the United States that we designate during the Term.

Subject	Hours of Classroom Training*	Hours of On the Job Training	Location
FOH Training	40	20	Classroom training occurs at our Moonachie, New Jersey, Santa Clara or Costa Mesa, California training Centers, and/or online. On-the-job training occurs at the café to-be opened or at our training locations in the United States that we designate during the Term.
Management Functions	40	20	Classroom training occurs at our Moonachie, New Jersey, Santa Clara or Costa Mesa, California training Centers, and/or online. On-the-job training occurs at the café to-be opened or at our training locations in the United States that we designate during the Term.
Subtotal Hours	**160**	**80**	
Total Hours (All forms)	**240**		

The following table describes training for bakers:

Subject	Hours of Classroom Training*	Hours of On the Job Training	Location
Introduction, Orientation, Food Safety, Tools and Equipment, Product	16	4	Classroom training occurs at our Moonachie, New Jersey, Santa Clara or Costa Mesa, California training Centers, and/or online. On-the-job training occurs at the café to-be opened or at our training locations in the United States that we designate during the Term.
Principles of Baking, Cake Principles and Decoration	24	4	Classroom training occurs at our Moonachie, New Jersey, Santa Clara or Costa Mesa, California training Centers, and/or online. On-the-job training occurs at the café to-be opened or at our training locations in the United States that we designate during the Term.
Real-time Application of Online Training	120	72	Classroom training occurs at our Moonachie, New Jersey, Santa Clara or Costa Mesa, California training Centers, and/or online. On-the-job training occurs at the café to-be opened or at our training locations in the United States that we designate during the Term.
Subtotal Hours	**160**	**80**	
Total Hours	**240**		

The following table describes training for cake decorators:

Subject	Hours of Classroom Training*	Hours of On the Job Training	Location
Introduction, Orientation, Food Safety, Tools and Equipment, Product	16	4	Classroom training occurs at our Moonachie, New Jersey, Santa Clara or Costa Mesa, California training Centers, and/or online. On-the-job training occurs at the café to-be opened or at our training locations in the United States that we designate during the Term.
Cake Principles and Decoration	24	4	Classroom training occurs at our Moonachie, New Jersey, Santa Clara or Costa Mesa, California training Centers, and/or online. On-the-job training occurs at the café to-be opened or at our training locations in the United States that we designate during the Term.
Real-time Application of Online Training	120	72	Classroom training occurs at our Moonachie, New Jersey, Santa Clara or Costa Mesa, California training Centers, and/or online. On-the-job training occurs at the café to-be opened or at our training locations in the United States that we designate during the Term.
Subtotal Hours	**160**	**80**	
Total Hours	**240**		

*Includes virtual or online training.

In our sole discretion, personnel with prior experience may not be required to undergo the full training program. We reserve the right to eliminate, modify or decrease the training program for personnel with prior experience. We also reserve the right to convert any portion of the training to virtual training, in our discretion.

The instructional materials used in training may include manuals, PowerPoint presentation, handouts, demonstrations, quizzes, classroom lectures and discussions.

The entire training program is subject to change due to updates in materials, methods, manuals and personnel without notice to you. The subjects and time periods allocated to the subjects actually taught to a specific franchisee and its personnel may vary based on the individual needs and/or experience of those persons being trained.

We provide instructors and training materials for initial training at no charge, but you must pay all expenses you and your personnel incur in initial training, including costs of travel, lodging, meals, insurance and wages. We may charge our then-current training fee for training all successor or replacement personnel or personnel beyond those we have set forth above. (Franchise Agreement Section 6(F)(1); Area Development Agreement Section 6(F)(1)). Any replacement Operating Principal, Cafe Manager or food production personnel must successfully complete the initial training program within ninety (90) days from

when such persons are designated. We may require your Operating Principal, Cafe Manager, and/or designated employees to attend additional training programs and seminars. We have the right to charge our then-current fee for these additional training programs and seminars. You must pay all expenses you or your personnel incur in any training program (including the classroom and internship components of the initial training program) or seminar, including the cost of travel, lodging, meals, insurance and wages. (Franchise Agreement Section 6(F); Area Development Agreement Section 6(F)(1)). If our personnel must travel to provide the training, you are responsible to cover all costs and expenses of our personnel.

We may conduct seminars or conventions from time-to-time for the benefit of all franchisees whose attendance may or may not be mandatory. When attendance is mandatory, we will provide you with reasonable notice in writing. Your failure to attend mandatory seminars or conventions will be treated as a default under the Franchise Agreement. We may charge a registration fee, for any seminar or convention, which is currently equal to our per person costs in producing the convention, and you must pay for the expense of salaries, travel, meals, lodging, and miscellaneous expenses of your personnel attending such seminars or conventions.

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.

Franchise Agreement

You must find a Location within a non-exclusive Search Area that we specify. The approved Location will be added to the Franchise Agreement once we accept it and you secure it. Your Search Area is not exclusive and is only intended to give you a general indication of the area within which you may locate the site for the Location. The Franchise Agreement gives you the right to operate a Paris Baguette Cafe at the Location. In addition, we may designate a protected geographic area in Attachment C of the Franchise Agreement (the "Protected Area"). Subject to our reserved rights, if you are in compliance with the Franchise Agreement we and our affiliates will not establish or authorize anyone except you to establish a Paris Baguette Cafe in the Protected Area during the term of the Franchise Agreement, other than in any Reserved Area (defined below). The actual size and shape of the Protected Area will be determined, in our sole discretion, based on several factors, including, without limitation, traffic patterns, population density, income level and the number of households and businesses in the area. Depending on the circumstances, in some cases, your Paris Baguette Cafe will not receive a Protected Area. If you sign a Franchise Agreement pursuant to your rights under an Area Development Agreement, your Protected Area under that Franchise Agreement will not, in any event, extend beyond the boundaries of your Development Area.

You must operate the Cafe only at the Location. You may accept business from customers who reside anywhere however you may not actively solicit 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. You cannot relocate the Cafe without our consent. If you lose possession of the Location through no fault of your own, you must apply to us within thirty (30) days for our approval to relocate your Cafe. You must relocate to another site in the Protected Area that is approved by us. Upon renewal, we will re-evaluate your then-current Protected Area to determine whether there have been any shifts in demographics or in our standards that would warrant modifying your Protected Area, therefore your total Protected Area size upon renewal may be smaller or larger than your original Protected Area.

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

(1) Develop and establish other business systems using the Proprietary Marks or similar marks, or develop and establish other business systems using other names or marks which may offer competitive products or services, and grant licenses to use those systems anywhere without providing any rights to you;

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

(3) Provide or allow others to provide catering and delivery services to customers inside and outside your Protected Area;

(4) Operate, and license others to operate, Paris Baguette Cafes at any location outside your Protected Area and operate or license others to operate in any non-traditional locations such as malls; airports; train or bus station; hospitals; school, college, university or other educational institution; hotel, resort or other lodging facility; amusement park; sports facility; state or national parks; exhibition hall, conference facility or convention center; casino or gambling establishment; military base; highway plaza or rest stops; or any similar area (each, as "Reserved Area") both inside and outside your Protected Area. We or our affiliates may operate any non-traditional location on a temporary, seasonal or permanent basis;

(5) Within and outside your Protected Area, offer and sell, and authorize others to offer and sell, any similar or dissimilar products and services (under the Proprietary Marks or under other names or marks) through any channel or by any method of distribution other than a traditional Paris Baguette Cafe on any terms and conditions we deem appropriate, including through alternative channels of distribution (*e.g.*, catalogues, Internet websites, telemarketing, mail order, direct-order techniques, non-traditional locations, grocery stores, gas stations, specialty stores, catering and delivery) as well as special events like street fairs, parades, sporting events and similar occasions; and

(6) Acquire the assets or ownership interest in (or merge or become affiliated with) one or more businesses operating under names other than the Proprietary Marks, including competing businesses, and the right to convert those locations to Cafes, regardless of location, and the right to be acquired by (or merge or become affiliated with) any other business operating under names other than the Proprietary Marks, including a competing business, with locations anywhere, which may result in the required conversion of Cafes.

There are no restrictions on our right to solicit or accept business from consumers inside the Protected Area without paying any compensation to you. We do not currently operate or plan to operate or franchise businesses under a different trademark that will sell similar goods or services to the goods and services that you sell, but we reserve the right to do so in the future. Our affiliate, PBBD, currently owns a majority interest in Zinc Enterprises, Inc., which operates Zinc Cafes, a restaurant concept that may sell goods similar to those that you may sell. Zinc is currently corporate owned and is not operated as a franchise.

Continuation of your Protected Area, if any, 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 or default. You do not receive the right to acquire additional franchises within or outside of your Protected Area unless you sign an Area Development Agreement or another Franchise Agreement with us.

At our sole discretion, if we believe your Cafe and its personnel have the experience and know-how to do so successfully in strict compliance with System Standards, we may permit or require you to provide catering and delivery services from your Cafe to customers located inside or outside your Protected Area and other franchisees may provide catering or delivery services from their Cafe within your Protected Area. If you are unable to meet customer demand for catering and delivery services, then we may prohibit you from providing such services and may provide or allow others (including other franchisees or us) to provide catering and delivery within your Protected Area, and you will not be entitled to any compensation in connection with this.

Area Development Agreement

If you sign an Area Development Agreement, we grant you a Development Area. We determine the Development Area before you sign the Area Development Agreement based on various market and economic factors like market demographics, the penetration of Paris Baguette Cafes and similar businesses in the market, the availability of appropriate sites and growth trends in the market. The Development Area may be all or a portion of a city, a single or multi-county area, or some other geographically identifiable area, which will be described in Exhibit E to the Area Development Agreement. If you sign an Area Development Agreement, you must select the site for your Cafe from within the Development Area identified in Exhibit E of the Area Development Agreement.

You must develop Cafes in the Development Area under the Development Schedule in Attachment F of the Area Development Agreement. We must agree to the Development Schedule before signing the Area Development Agreement. Under the Area Development Agreement, we must accept the proposed site for each Cafe in accordance with our then-current site selection guidelines. If you stop operating any Cafe during the term of the Area Development Agreement, you must develop a replacement Cafe within a reasonable time (not to exceed to one-hundred and eighty (180) days after you stop operating the original Cafe. If you transfer your interest in a Cafe during the term of the Area Development Agreement, in compliance with the related Franchise Agreement for the Cafe, we will continue to count the transferred Cafe when determining whether you have complied with the Development Schedule, unless the transferred Cafe is no longer operating as a Paris Baguette Cafe. In that case, you must develop a replacement Cafe within a reasonable time (not to exceed one-hundred and eighty (180) days) after the transferred Cafe ceases to be operated as a Paris Baguette Cafe. If you decide to sell your Cafes, you must sell all Cafes developed under the Area Development Agreement together and not sell individual Cafes without our prior written consent.

If you comply with the Area Development Agreement and all other agreements that you and your affiliates have with us and our affiliates, then we and our affiliates will not establish, or authorize anyone except you to establish, any traditional Paris Baguette Cafes in the Development Area during the term of the Area Development Agreement. We retain all other rights. Among other things, this means we can conduct activities in the Development Area like those described above in relation to the Protected Area, including but not limited to, those express reserved rights set forth in subparagraphs (1) - (6) in the Franchise Agreement section above.

If you fail to comply with the Development Schedule, or otherwise default under the Area Development Agreement or any Franchise Agreement with us, then we may (in addition to our other remedies) terminate or modify your territorial rights, reduce your Development Area, or reduce the number of Cafes that you may establish. When the Area Development Agreement expires, or is terminated, you cannot develop additional Cafes in the Development Area (but may complete development of and/or operate Cafes under the existing Franchise Agreements) and we may develop or authorize others to develop Paris Baguette Cafes in the Development Area and exercise all rights not expressly granted to you under your Franchise Agreements.

Except as described above, continuation of any territorial protection does not depend on the achievement of a certain sales volume, market penetration, or other contingency and we may not alter your Development Area, provided however, upon default we may, in our sole discretion, elect to exercise any one or more of the following remedies in lieu of terminating this Agreement: (1) terminate or modify any territorial protections granted (2) reduce the size of the Development Area, (3) reduce the number of Cafes that may be established pursuant to the Development Schedule, or (4) require additional training at your expense.

ITEM 13
TRADEMARKS

The Franchise Agreement grants you the right to operate a Cafe under the "Paris Baguette" mark and to use any future Proprietary Marks we authorize so long as you are in compliance with the terms of the Franchise Agreement.

Our affiliate, Paris Croissant, has registered the following Proprietary Marks with the U.S. Patent and Trademark Office. Following registration and at the appropriate times, Paris Croissant intends to renew the registration and to file all appropriate affidavits.

MARK	REGISTER	REGISTRATION ISSUE DATE (INTERNATIONAL CLASS)	U.S. TRADEMARK REGISTRATION NUMBER
PARIS BAGUETTE	Principal Principal	February 3, 2015 (30) August 4, 2015 (35, 43)	4682197 4784539
PB	Principal Principal	June 21, 2016 (30) June 21, 2016 (35,43)	4980628 4980629
	Principal Principal Principal Principal Principal	December 25, 2018 (29) December 25, 2018 (30) December 25, 2018 (32) January 8, 2019 (35) December 25, 2018 (43)	5635926 5635927 5635928 5646408 5635930
	Principal Principal Principal Principal Principal	November 13, 2018 (29) November 13, 2018 (30) November 13, 2018 (32) January 8, 2019 (35) November 13, 2018 (43)	5604684 5604685 5604686 5646409 5604687
PARIS BAGUETTE	Principal	June 25, 2019 (29)	5785328
PARIS BAGUETTE	Principal	June 25, 2019 (32)	5785329
	Principal	September 3, 2024(29, 30, 32, 35, 43)	7490977

MARK	REGISTER	REGISTRATION ISSUE DATE (INTERNATIONAL CLASS)	U.S. TRADEMARK REGISTRATION NUMBER
	Principal	September 3, 2024 (29, 30, 32, 35, 43)	7490978
	Principal	September 24, 2024	7510849 7510850

Our rights to the Proprietary Marks and the proprietary System know-how are derived from a nonexclusive perpetual sub-license (the "Intercompany License") between us and PBBD. The Intercompany License grants us the right to use the Proprietary 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 and only if we do not cure or begin to cure the breach within thirty (30) days after notice. We know of no other agreements currently in effect that significantly limit our rights to use or license the use of the Proprietary Marks in any manner material to you.

There is no presently effective determination of the U.S. Patent and Trademark Office, 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 Proprietary Marks that is relevant to its ownership, use or licensing.

We know of the existence of a Cafe operating at 6773 North 5th Street, Philadelphia, Pennsylvania that is using marks similar to the Proprietary Marks. Other than this business, we know of no superior prior rights or infringing use that could materially affect your use of the Proprietary Marks, and we know of no agreements currently in effect that significantly limit our rights to use or license the use of the Proprietary Marks in any manner material to the franchise.

You have no other rights in our Proprietary Marks. We may modify or discontinue use of any of our Proprietary Marks or may add new Proprietary Marks for use in the System and you will be required to make corresponding updates to your business, including signage and advertising materials at your expense. We do not have to compensate you for the costs of such updates. You must use our names and Proprietary Marks in the manner we direct. You cannot use our Proprietary Marks for any other purpose.

You may not use the mark "Paris Baguette" or any other Proprietary Marks licensed by us in your own corporate or entity name.

If you meet certain conditions, we will protect your rights to use the Proprietary Marks and to protect you against claims of infringement. If you meet certain conditions, we will also participate in your defense and/or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving the Proprietary Marks or if the proceeding is resolved unfavorably to you and you have used the Proprietary Marks only in the manner authorized by us. You agree not to contest our interest in the Proprietary Marks or any of our trade secrets.

You must immediately notify us of any infringement of the Proprietary Marks or of any challenge to the use of any of the Proprietary Marks or claim by any person of any rights in any of the Proprietary Marks. You and your owners must agree not to communicate with any person other than us, any designated parent, predecessor or affiliate and our or their counsel in connection with any infringement, challenge or claim of this type. We or our affiliates have sole discretion to take any action we deem appropriate and the right to exclusively control any litigation, or a U. S. Patent and Trademark Office (or other) proceeding, arising out of any infringement, challenge or claim concerning any of the Proprietary Marks. You must execute 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 parents, predecessors or affiliates in any litigation or proceeding of this type or to otherwise protect and maintain our or their interest in the Proprietary Marks.

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 execute any documents we or our counsel determine are necessary to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability. Neither you nor your owners may take any action that would prejudice or interfere with the validity of our rights with respect to the Proprietary Marks and may not contest the validity of our interest in the Proprietary Marks or assist others to do so. You acknowledge that our names and Proprietary Marks are valid and are our sole property. You cannot, either during or after the term of the Franchise Agreement, do anything, or aid or assist any person to do anything, that would infringe upon, harm, or contest our rights in any of our Proprietary Marks. You further must agree not to hinder or prevent us from using or franchising our names and marks in any jurisdiction. You must acknowledge that all goodwill that may arise from using our Proprietary Marks is and will remain our sole and exclusive property and will inure solely to our benefit.

We have the right to substitute different trade names, service marks, trademarks and indicia of origin for the Proprietary Marks if the Proprietary 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 Proprietary Mark or use one or more additional or substitute Proprietary Marks at your expense.

ITEM 14
PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Patents

Paris Croissant owns the following patents, which may be material to the franchise. The four process patents are used by Paris Croissant in making its proprietary dough that is sold by it to the Cafes. The design patent is for the proprietary packaging of water bottles, which Paris Croissant may, in the future, require Cafes to purchase for retail sale to customers.

Type of Patent	Duration of Patent	Patent Number	Issuance Date	Title	Relationship to the Franchise
Method	20 years	9,883,686	February 6, 2018	Glazing agent for pastry products and methods of manufacturing a glazing agent for pastry	Manufacturing method of a glazing agent for bread products to maintain intrinsic tastes and flavors without destroying unique layered shape as sold by franchisees.

Type of Patent	Duration of Patent	Patent Number	Issuance Date	Title	Relationship to the Franchise
Method	20 years	9,497,978	November 22, 2016	Apparatus for making and dispensing nitrogen-charged coffee	Method of making coffee that franchisees may be required to implement at the Cafe.
Process	20 years	9,386,782	July 12, 2016	Method of making and dispensing nitrogen-charged coffee	Method of making coffee that franchisees may be required to implement at the Cafe.
Design	14 years	D787932	May 30, 2017	Lid for food wrapping box	Design for a lid for food wrapping box that franchisees may be required to obtain for use at the Cafe.
Process	20 years	8,512,773	August 20, 2013	Method of making bread	Method improves activity and fermenting power of yeast, increasing taste, flavor and texture (and shelf life and quality) of bread products sold by franchisees.
Process	20 years	8,383,173	February 26, 2013	Method of making bread	Method improves activity and fermenting power of yeast, increasing taste, flavor and texture (and shelf life and quality) of bread products sold by franchisees.
Design	14 years	D672610	December 18, 2012	Paper cup	Ornamental design for a paper cup that franchisees may be required to obtain for use at the Cafe.
Design	14 years	D661,192	June 5, 2012	Beverage container	Ornamental design for a beverage container that franchisees may be required to obtain for use at the Cafe.
Process	20 years	8,053,006	November 8, 2011	Method of making bread and bread made by the method	Method plus the actual dough franchisees must purchase and use as a major ingredient to the Cafe’s products.

Type of Patent	Duration of Patent	Patent Number	Issuance Date	Title	Relationship to the Franchise
Process	20 years	8,029,834	October 4, 2011	Method of making bread and bread made by the method	Method of making bread sold by franchisees.

There is no presently effective determination of the United States Patent and Trademark Office or any court affecting the patents. There is no currently effective agreement that limits our right to use and/or license the patents. Neither we, Paris Croissant nor PBBD are obligated by the Franchise Agreement or the Area Development Agreement, or otherwise, to protect any rights you have to use the patents. We have no actual knowledge of any infringements that could materially affect the ownership, use or licensing of the patents.

Copyrights

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 Paris Baguette Cafes 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 the Area Development 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 information relating to our trademarks, patents, copyrights, Manuals (as defined in the Franchise Agreement, and Confidential Information (as defined in the Franchise Agreement) as trade secrets and you must treat any of this information we communicate to you confidentially. You, your owners (including Operating Principals) and each of their respective spouses 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, your owners (including Operating Principals) and each of their respective spouses must also agree not to use our Confidential Information at all after the Franchise Agreement terminates or expires. You, your owners (including Operating Principals) and each of their respective spouses can give this Confidential Information only to your employees who need it to operate your Paris Baguette Cafe. You must have your Cafe Manager and any of your other personnel who have received or will have access to our Confidential Information, sign similar covenants. (See Item 15).

If you or your owners, Cafe Managers or other personnel develop any new concept, process or improvement in the operation or promotion of your Paris Baguette Cafe, you must promptly notify us and give us all necessary information in connection with the new process or improvement, without compensation. You and your owners 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 Area Development Agreement (if applicable) and Franchise Agreements you must designate an individual to serve as your "Operating Principal." Your Operating Principal must maintain a direct or indirect ownership interest in the Area Developer (or the Franchisee in the case of a single Café purchase) and in each entity holding a franchise thereunder of not less than ten percent (10%), unless we otherwise consent. 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. The Operating Principal for all Paris Baguette Cafes operated by you and, if applicable, your affiliates, must be the same person, and the same person must act as your Operating Principal under the Area Development Agreement and all Franchise Agreements between us. Your Operating Principal must devote reasonable and adequate time supervising your operations under the Area Development Agreement (if applicable) and Franchise Agreements. He or she must satisfy our training requirements and our other standards.

If you sign an Area Development Agreement, you are allowed to form subsidiary corporations, LLCs or partnerships for each Cafe you develop. The entity that owns each Cafe must have the same ownership structure as, or be wholly owned by, the entity that holds the development rights and is a party to the Area Development Agreement. Each entity may sign a Franchise Agreement for each Cafe operated by that entity for which a development right is granted. All changes in ownership structure are subject to approval by us, are considered a transfer and are subject to re-qualification if necessary. All new minority shareholders must be approved by us and must sign a personal guaranty.

You may, at your option and subject to our written consent, designate a Cafe Manager to supervise your Cafe operations under your Franchise Agreements if you are a single unit operator. Even if we permit you to designate a Cafe Manager to supervise your operations, your Operating Principal remains ultimately responsible for the Cafe Manager's performance and you are ultimately responsible for the operation of the Cafe. If you are an Area Developer, then you must appoint a Cafe Manager for each Cafe to manage the day-to-day affairs of each Cafe. The Cafe Manager must devote his or her full time and best efforts to the supervision of your operations under the Agreements. At the outset of employment by you, and from time to time in our discretion, and solely to ensure and protect the goodwill of our trademarks and branding, all Operating Principals and Cafe Managers must meet our training and operational standards for them to qualify as such and to continue in such roles.

You must notify us promptly if your Operating Principal or Cafe Manager cannot continue to serve or no longer qualifies as an Operating Principal or a Cafe Manager. You will have thirty (30) days from the date of the notice (or from any date that we independently determine the Operating Principal or Cafe Manager no longer meets our training and operating standards) to take corrective action. During that thirty (30) day period, you must provide for interim management of your operations in compliance with each Franchise Agreement.

If you are an entity, we may require your current and future owners to sign a Guaranty in the form of Attachment A to the Franchise Agreement and, if applicable, the Area Development Agreement, guaranteeing your performance and binding themselves individually to certain provisions of the Franchise Agreement and, if applicable, the Area Development Agreement, including the covenants against competition and disclosure of confidential information, restrictions on transfer and dispute resolution procedures. We may also require your spouse (or the spouse of your owners, if you are an entity) to sign the Guaranty, making your spouse jointly and severally liable for your obligations.

At our request, you must have your Cafe Manager and any other personnel who will have specialized training that encompasses our proprietary information, unique processes and trade secrets agree to maintain the confidentiality of information they have access to through their relationship with you. (See Item 14). These covenants will be in substantially the form of Attachment B to the Franchise Agreement and Attachment B to the Area Development Agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

All products and services you use or sell at the Cafe must conform to our System Standards. (See Item 8). These are described in our Manuals and other writings. You must not deviate from our System 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 Cafe. Failure to comply with any of these requirements may constitute a default under your Franchise Agreement and, if applicable, your Area Development Agreement. You cannot rent out your Café or do any other business out of the Location, including the hosting of events, without our prior written consent.

You must offer and sell all products and services we require. You must sell only the products and services that we have expressly approved in writing. You must follow our production methods and our recipes. You must stop selling any products or services that we disapprove in writing. You must open and operate the Cafe during the hours and days we specify in the Manual or otherwise in writing. We have the absolute right to remove all unapproved products, goods and materials from Paris Baguette Cafes. You may not offer any of the products or services offered by Paris Baguette Cafes at wholesale. If permitted or required to conduct catering or delivery activities, you must do so only from the Location, in accordance with our System Standards. All products, supplies and inventory purchased by you must be shipped directly to your Cafe, unless otherwise approved by us.

You may not use our Proprietary Marks or IP in relation to any social media or use social media to promote the Cafe. You may not advertise, promote, post or list information relating to the Cafe on the Internet (through the creation of a website, mobile application or otherwise), unless we expressly permit otherwise in writing.

We reserve the right to the fullest extent allowed by applicable law to establish minimum, maximum, or other pricing requirements with respect to the prices you may charge for products or services. On a case-by-case basis, we may allow you or other franchisees to offer additional services and products based on test marketing conducted by us. You may not create unapproved rewards or loyalty programs or promotions.

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 Agreement. You should read these provisions in the Franchise Agreement attached to this disclosure document.

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 3. A	Ten (10) years from the Opening Date. However, we may reduce the term if the lease for your Cafe is less than (10) years from the Opening Date.
b. Renewal or extension of the term	Section 3. B	Two (2) additional consecutive terms of five (5) years each.
c. Requirements for franchisee to renew or extend	Section 3.B(1)-(9)	Requirements include: (i) you provide us at least 6 months but no more than 9 months prior notice; (ii) you complete, to our satisfaction all refurbishment, maintenance and upgrading that is necessary or that we require (including refreshing or remodeling the Cafe); (iii) you are in good standing under the Franchise Agreement and all other agreements with us or our affiliates; (iv) you satisfy all monetary obligations you owe us, our affiliates, and our approved/designated suppliers and vendors; (v) you remain in possession of the Cafe Location leased premises; (vi) you execute our then-current form of Franchise Agreement; (vii) you pay the renewal fee; (viii) you and your co-owners sign a general release; and (ix) you satisfy our then-current training requirements. The then-current standard Franchise Agreement may contain materially different terms and conditions than your original Franchise Agreement.
d. Termination by franchisee	Section 17	Subject to state law, you must give us 90 days' written notice to cure any default within 60 days of the event or circumstances giving rise to the breach. You must be in material compliance. If we fail to cure any material breach within the 90 day cure period, you may terminate for that reason by written notice, except if the breach is not susceptible to cure within 90 days, but we take action within 90 days to begin curing the breach and act diligently to complete the corrective action within a reasonable time, we will be deemed to have timely cured the breach.
e. Termination by franchisor without cause	Section 17	We may not terminate without cause.
f. Termination by franchisor with cause	Section 17	Each of your obligations under the Franchise Agreement is a material and essential obligation, the breach of which may result in termination.
g. "Cause" defined - curable defaults	Section 17.D(1) – (11)	Curable defaults include any of the following: (i) failure to maintain required insurance; (ii) failure to obtain required confidentiality or similar agreements; (iii) failure to submit monies due to us or any affiliate, any Cooperative or the Marketing Fund; (iv) failure to adhere to System Standards or failure to adhere to any other requirement of ours, other than those listed in 17(h) below; or (v) failure to designate a replacement Cafe Manager or Operating Principal.

Provision	Section in Franchise Agreement	Summary
h. "Cause" defined - non-curable defaults	Section 17.B and Section 17.C	Non-curable defaults include: (i) unauthorized sale of products or goods; (ii) failure to acquire a Location in time specified in Site Addendum; (iii) failure to construct the Cafe in accordance with our time restrictions and System Standards; (iv) failure to open Cafe by the Opening Date; (v) abandonment of Cafe; (vi) conviction of or plea to specified crimes by you or your owners; (vii) threat to public health or safety or violation of law; (viii) violations of transfer restrictions by any owner; (ix) disclosure of confidential information by an owner or spouse; (x) knowingly maintaining false records or books; (xi) material breach of representations and warranties or covenants in Franchise Agreement; (xii) failure to comply with quality assurance program; (xiii) three (3) or more incidences of non-compliance in any 12 month period regardless of whether cured; (xiv) three (3) or more late or payments or incidences or insufficient funds in any twelve (12) month period regardless of whether cured; (xv) use the Proprietary Marks or IP in an unauthorized manner (xvi) failure to open on the days and time prescribed; (xvii) failure to keep exclusive possession of the Cafe premises or (xviii) bankruptcy or insolvency.
i. Franchisee's obligations on termination/non-renewal	Section 18.A (1) – (10)	You must: (i) immediately cease to operate the Cafe; (ii) immediately cease using the Proprietary Marks and IP including any of our marketing materials and brochures and stop holding yourself out to the public as associated with us in any way; (iii) cancel any assumed or fictitious name for "Paris Baguette" within 5 days; (iv) not use any confusingly similar marks; (v) pay all amounts due to us or our affiliates; (vi) immediately return to us (or destroy upon our request) all of your copies of any materials containing any of the confidential information or any materials bearing the IP or the Proprietary Marks and all copies and records of any customer or other similar lists; (vii) comply with all post-term restrictive covenants; (viii) provide us with a list of all materials bearing our Proprietary Marks that we may choose to purchase at your cost; (ix) assign us all rights to acquire lease for Location or other equipment used for the operation of the Cafe; (x) assign us all telephone numbers and web/internet listings.
j. Assignment of contract by franchisor	Section 18.C	We have the right to transfer or assign the Franchise Agreement to any person or entity, including a competitor, without restriction.

Provision	Section in Franchise Agreement	Summary
k. "Transfer" by franchisee – definition	Section 14	An owner's voluntary, involuntary, direct or indirect assignment, transfer, change, sale, gift, pledge, mortgage, disposal or other disposition of any legal or beneficial interest in: (i) the Franchise Agreement, (ii) any material asset of the Cafe; (iii) the ownership interest in the Franchise entity, whether in the form of equity or voting interest; (iv) the merger or consolidation of your Cafe entity; and (v) the issuance of additional securities or other ownership interests of the Cafe. It includes transfers resulting from proceedings under the U.S. Bankruptcy Code or any similar law, and transfers resulting from divorce or corporate reorganization of franchisee or any owner of franchisee.
l. Franchisor approval of Transfer by franchisee	Section 14. B	You must obtain our prior written consent before making any Transfers.
m. Conditions for franchisor approval of transfer	Section 14.B (1) – (11)	Conditions include: (i) payment of all monetary obligations to us or our affiliates; (ii) you must not be in default under any agreements with us, our affiliates or any vendors; (iii) any transferor signs a release; (iv) transferee meets our then-current strategic, tactical, financial and operational qualifications and standards; (v) you upgrade the Cafe; (vi) transferee executes a guaranty; (vii) transferee executes our then current form of franchise agreement; (viii) transferor remains liable for obligations of the Cafe prior to effective date of the transfer; (ix) the transfer fee is paid; (x) all representations, warranties and covenants are true and correct; (xi) the transferee grants us the right (but not obligation) to be substituted as obligor to a secured party if the transfer is a grant of security interest; (xii) transferee and all required personnel attend and pass our training (xiii) execution of a transfer agreement by all parties; and (xiv) you must have owned and operated the Cafe for at least 24 months.
n. Franchisor's right of first refusal to acquire Franchisee's business	Section 14.D	On sixty (60) days written notice, we have the option to purchase the transferred interest on the same terms and conditions offered by a third party provided that we may substitute cash in place of any finance terms.
o. Franchisor's option to purchase Franchisee's business	Section 18.B(1)	If the Franchise Agreement is terminated by either party or you cease to do business for any reason then we have the right to purchase your assets.

Provision	Section in Franchise Agreement	Summary
p. Death or disability of franchisee	Section 14.E	Your Cafe or an ownership interest in your Cafe must be assigned to an approved buyer in the time we designate and must be run by a trained operator during the period before the assignment. Assignment is subject to our right of first refusal. We have the right to manage the Cafe and charge a management fee if we feel, in our sole discretion, that the Cafe is not being operated properly.
q. Non-competition covenants during the term of the franchise	Section 10.C Attachment B	You or your owners (if an entity), and spouses of owners, are prohibited from owning, maintaining, operating, engaging in, being employed by, having any financial or beneficial interest in, advising, consulting with, assisting or making loans to a Competing Business. "Competing Business" means a company that owns, operates, licenses or franchises a bakery/cafe style restaurant that offers baked goods such as breads, croissants, baguettes, pastries and cakes, along with coffee, tea and other beverages. A Competing Business shall also include a company that produces or manufactures baked goods. A Competing Business includes, but is not limited to, Panera Bread, Einstein Bros Bagels, Pret a Manger, Le Pain Quotidien, Paul French Bakery and Cafe, Au Bon Pain, La Madeleine Country French Café, Corner Bakery Cafe, and Tous Les Jour.
r. Non-competition covenants after the franchise is terminated or expires	Section 10.C Attachment B	You or your owners (if an entity), and spouses of owners are prohibited from (i) owning, maintaining, operating, engaging in, being employed by, having any financial or beneficial interest in, advising, consulting with, assisting or making loans to a Competing Business within a ten (10) mile radius of the Location of any Cafe for a period of two (2) years; (ii) soliciting our customers; or (iii) disparage us or the System in any way.
s. Modification of the agreement	Section 19. B	You must comply with the Manuals as periodically amended. The Franchise Agreement may only be modified or amended in writing signed by all parties.
t. Integration/ merger clause	Section 19. B	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Nothing in the agreement or in any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document.
u. Dispute resolution by arbitration or mediation	Section 19.G Section 19.H	Except for actions brought by us, all disputes must be submitted to internal dispute resolution, then mediation and then arbitration in New York, New York.
v. Choice of forum	Section 19.I Section 19.M	New York, New York (subject to state law)
w. Choice of law	Section 19. L	Delaware (subject to state law)

Provision	Section in Franchise Agreement	Summary
x. Liquidated damages	Section 18. D	You agree to pay us liquidated damages if we terminate you for cause or if you cease to operate the Franchise prior to the expiration of the term.

This table lists certain important provisions of the Area Development Agreement. You should read these provisions in the Area Development Agreement attached to this disclosure document.

Provision	Section in Area Development Agreement	Summary
a. Length of the development term	Section 4(A).	From signing until the earlier of the date your development obligations are complete or 11:59pm on the last day specified in the Development Schedule.
b. Renewal or extension of the term	Section 4(B) and 4(C).	We may extend the term of the Area Development Agreement to allow you to exercise additional development rights.
c. Requirements for area developer to renew or extend	Section 4(D).	You must fully perform all obligations under the Area Development Agreement and all other agreements with us and demonstrate financial capacity.
d. Termination by area developer	Not applicable.	Not applicable, subject to state law.
e. Termination by franchisor without cause	Not applicable.	Not applicable.
f. Termination by franchisor with cause	Section 7.	We may terminate on your default.
g. "Cause" defined - curable defaults	Section 7(C).	For any default except those specified as non-curable: (1) failure to pay monetary obligations within 5 days of notice; (2) failure to designate a replacement Operating Principal; (3) refusal of additional principals to sign restrictive covenants; or (4) any of breach not cured within 30 days other than those outlined in Section (h) below.

Provision	Section in Area Development Agreement	Summary
h. "Cause" defined - non-curable defaults	Section 7(A) and 7(B) and 7(E).	(1) insolvency, bankruptcy, creditor judgment on assets or dissolution: (2) failure to meet Development Schedule; (3) developer's or its owners' conviction of crime; (4) threat to public safety; (5) violation of transfer provisions in Area Development Agreement; (6) breach of confidentiality or restrictive covenants; (7) 3 or more notices to cure in a 12 month period; (8) use the Proprietary Marks in an unauthorized manner or (9) material breach under any Franchise Agreement with us. No default under the Area Development Agreement is a default under a Franchise Agreement, unless the default would independently be a default under the Franchise Agreement.
i. Area Developers' obligations on termination/non-renewal	Section 7(F).	You will have no right to establish or operate any Cafe for which a Franchise Agreement has not been executed; you must pay amounts due and our damages and enforcement costs; comply with confidentiality and non-competition covenants.
j. Assignment of contract by franchisor	Section 8(A).	We may transfer our rights without restriction.
k. "Transfer" by area developer – definition	Section 8(B).	Includes transfer of any interest in the Area Developer Agreement or in Developer or its owners.
l. Franchisor approval of Transfer by area developer	Not applicable.	We have the right to approve all transfers.
m. Conditions for franchisor approval of transfer	Not applicable.	Approval to sell or transfer may be conditioned upon the following: (i) satisfaction of all monetary obligations to us, our parent, affiliate or predecessor, or suppliers; (ii) the timely cure of all existing defaults under any agreement between us; (iii) execution of a transfer agreement and general release (subject to state law); (iv) providing us with a copy of the executed purchase agreement relating to the proposed transfer and (v) the transferee must have paid to us the transfer fee. The proposed transferee must sign guarantee and must have demonstrated to us that he or she meets our standards, possesses good moral character, business reputation and credit rating, has the aptitude and adequate financial resources to fulfill the obligations under the Area Development Agreement. At our option, the transferee may be required to sign our then current form of Area Development Agreement.

Provision	Section in Area Development Agreement	Summary
n. Franchisor's right of first refusal to acquire Area Developer's business	Not applicable.	Not applicable.
o. Franchisor's option to purchase Area Developer's business	Not applicable.	If the Area Development Agreement is terminated by either party or you cease to do business for any reason, then we have the right, but not the obligation, to purchase your assets.
p. Death or disability of area developer	Section 8(B).	Not applicable.
q. Non-competition covenants during the term of the franchise	Section 9(B).	The owners and spouses of owners, are prohibited from operating or having an interest in a Competing Business.
r. Non-competition covenants after the franchise is terminated or expires	Section 9(B).	Your owners and their spouses are prohibited from (i) owning, maintaining, operating, engaging in, being employed by, having any financial or beneficial interest in, advising, consulting with, assisting or making loans to a Competing Business within a 10-mile radius of the Location of any Cafe for a period of 2 years; (ii) soliciting our customers; or (iii) disparage us or the System in any way.
s. Modification of the agreement	Section 12(B).	You must comply with the Manuals as periodically amended. The Area Development Agreement may only be modified or amended in writing signed by all parties.
t. Integration/ merger clause	Section 12(B).	Only the terms of the Area Development Agreement and other related written agreements are binding (subject to applicable state law). Nothing in the agreement or in any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document.
u. Dispute resolution by arbitration or mediation	Section 12(F), (G) and (H).	Except for actions brought by us, all disputes must be submitted to internal dispute resolution, then mediation and then arbitration in New York, New York.
v. Choice of forum	Sections 12(H).	New York, New York (subject to state law)
w. Choice of law	Section 12(I).	Delaware (subject to state law)

ITEM 18
PUBLIC FIGURES

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

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information in connection with the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the Disclosure Document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

As of December 31, 2024, we had one hundred nineteen (119) franchised Cafes and eleven (11) affiliate owned Cafes that operated for the entire 2024 calendar year. Twenty three (23) franchised Cafes operated as a kiosk and are not included in any of the tables.

The below tables represent the Average Sales achieved by these Cafes during the 2024 calendar year.

2024 AVERAGE SALES

Subset	Total No. of Cafes	Average Sales	Percentage of Cafes at or above Average	Number of Cafes at or above Average	Median	Highest	Lowest
Affiliate-Owned Cafes	11	$2,894,876	55%	6	$2,990,087	$4,452,346	$1,930,932
Franchised Cafes	119	$2,858,469	47%	56	$2,720,458	$7,208,046	$1,382,070
Affiliate-Owned and Franchised Cafes	130	$2,861,550	48%	62	$2,739,946	$7,208,046	$1,382,070

2024 AVERAGE SALES (AFFILIATE OWNED)

Subset	Total No. of Cafes	Average Sales	Percentage of Cafes at or above Average	Number of Cafes at or above Average	Median	Highest	Lowest
Top 15%	2	$4,032,848	50%	1	$4,032,848	$4,452,346	$3,613,351
Top Third	3	$3,754,128	33%	1	$3,613,351	$4,452,346	$3,196,689
Middle Third	4	$2,991,314	50%	2	$3,033,456	$3,190,410	$2,707,933
Bottom Third	4	$2,154,001	50%	2	$2,115,467	$2,454,136	$1,930,932
Bottom 15%	2	$1,965,692	50%	1	$1,965,692	$2,000,453	$1,930,932

2024 AVERAGE SALES (FRANCHISED)

Subset	Total No. of Cafes	Average Sales	Percentage of Cafes at or above Average	Number of Cafes at or above Average	Median	Highest	Lowest
Top 15%	18	$4,312,437	28%	5	$4,009,343	$7,208,046	$3,691,600
Top Third	39	$3,835,351	33%	13	$3,608,276	$7,208,046	$3,267,155
Middle Third	40	$2,800,870	45%	18	$2,739,946	$3,263,339	$2,420,260
Bottom Third	40	$1,963,607	48%	19	$1,945,233	$2,409,994	$1,382,070
Bottom 15%	18	$1,699,478	50%	9	$1,726,206	$1,937,296	$1,382,070

The below table represents the number of Cafés compared over the course of 2020 through 2024. A Café becomes "Comp" 365 days after its opening. A Café must be considered "Comp" in the previous year to be compared as Comp in the next year (ex. a Café must become "Comp" in 2020 to be included in the 2021 comp comparison).

	Café Count compared to Each Year				
	2024	**2023**	**2022**	**2021**	**2020**
Total	197	153	115	92	83
Comp	114	114	91	82	72
Corporate	11	11	10	9	9
Corp - Comp	10	10	9	9	8
Franchise	186	142	105	83	74
Fran - Comp	104	104	82	73	64

The below tables compare 2024 sales data and guest counts to the sales data and guest counts for the calendar years 2020, 2021, 2022 and 2023.

	Sales vs YOY			
	vs 2023	**vs 2022**	**vs 2021**	**vs 2020**
Total	+34.1%	+82.4%	+147.1%	+278.7%
Comp	**+3.2%**	**+8.6%**	**+31.6%**	**+81.6%**
Corporate	+3.0%	+25.6%	+85.1%	+204.3%
Corp - Comp	**+1.8%**	**+12.0%**	**+62.2%**	**+174.1%**
Franchise	+37.2%	+88.8%	+153.4%	+285.7%
Fran - Comp	**+3.3%**	**+8.2%**	**+28.2%**	**+73.5%**

	Count vs YOY			
	vs 2023	**vs 2022**	**vs 2021**	**vs 2020**
Total	+28.4%	+71.4%	+125.4%	+225.1%
Comp	**+1.3%**	**+7.3%**	**+26.7%**	**+64.7%**
Corporate	+1.0%	+19.0%	+70.2%	+163.6%
Corp - Comp	**-0.1%**	**+8.9%**	**+54.3%**	**+140.2%**
Franchise	+32.0%	+79.5%	+133.1%	+233.0%
Fran - Comp	**+1.5%**	**+7.0%**	**+22.5%**	**+55.8%**

NOTES REGARDING TABLES:

Some outlets have sold these amounts. Your individual results may differ. There is no assurance that you will sell as much.

1. These figures for "Average Sales" originate from our POS system and reflect the revenues of Cafes. We also receive sales figures reported by franchisees. We have not audited or verified the reports. Nothing is deducted in these figures represented as "Average Sales."

2. "Percentage of Cafes at or Above Average" means the percentage of Cafes included in the data whose reported average sales are at or above the stated average, meaning that these Cafes performed better than the stated average.

3. We provide you sales data that includes average sales and the percentage of Cafes reporting who have attained or surpassed the stated average. This sales data does not include sales tax.

You should conduct an independent investigation of the sales, costs and expenses you will incur in operating your franchised business. Franchisees listed in this disclosure document may be one source of this information.

Written substantiation of the data used in preparing these sales figures may be made available to you upon reasonable request.

Other than the preceding financial performance representation, we do not make any financial performance representations. We do not make any representations in connection with a Franchisee's future

financial performance. 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 Kyle Chung at 137 West Commercial Avenue, Moonachie, New Jersey 07074, 201-507-4805 the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System-wide Outlet Summary for Years 2022 to 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	68	98	+30
	2023	98	137	+39
	2024	137	186	+49
Company-Owned	2022	26	20	-6
	2023	20	18	-2
	2024	18	11	-7
Total Outlets	2022	94	118	+24
	2023	118	155	+37
	2024	155	197	+42

REMAINDER OF PAGE LEFT INTENTIONALLY BLANK

Table No. 2
Transfers of Outlets from Franchisees to New Owners
(other than Franchisor) for years 2022 to 2024

State	Year	Number of Transfers
California	2022	2
	2023	3
	2024	6
Georgia	2022	0
	2023	1
	2024	0
Michigan	2022	0
	2023	1
	2024	0
Oregon	2022	0
	2023	1
	2024	0
Pennsylvania	2022	0
	2023	0
	2024	1
Texas	2022	0
	2023	0
	2024	3
Total	2022	2
	2023	6
	2024	10

Table No. 3
Status of Franchised Outlets For Years 2022 to 2024

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Arizona	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	2	0	0	0	0	3
California	2022	39	6	0	0	0	0	45
	2023	45	12	0	0	0	0	57
	2024	57	6	0	0	0	1	62

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Colorado	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Florida	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	1	0	0	0	0	2
Georgia	2022	2	1	0	0	0	0	3
	2023	3	1	0	0	0	0	4
	2024	4	1	0	0	0	0	5
Hawaii	2022	0	0	0	0	0	0	10
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Illinois	2022	4	0	0	0	0	0	4
	2023	4	2	0	0	0	0	6
	2024	6	2	0	0	0	0	8
Kansas	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Maryland	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	1	0	0	0	0	2
Massachusetts	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Michigan	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	1	0	0	0	0	2
Minnesota	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Nevada	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	0	2
New Jersey	2022	4	4	0	0	0	0	8
	2023	8	6	0	0	0	0	14
	2024	14	6	0	0	0	0	20
New York	2022	7	10	0	0	0	0	17
	2023	17	5	0	0	0	0	22
	2024	22	12	0	0	0	1	33

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
North Carolina	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Ohio	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	3	0	0	0	0	4
Oregon	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Penn.	2022	5	1	0	0	0	0	6
	2023	6	1	0	0	0	0	7
	2024	7	2	0	0	0	0	9
South Carolina	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Tennessee	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Texas	2022	2	2	0	0	0	0	4
	2023	4	3	0	0	0	0	7
	2024	7	5	0	0	0	0	12
Utah	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Virginia	2022	2	1	0	0	0	0	3
	2023	3	2	0	0	0	0	5
	2024	5	3	0	0	0	0	8
Washington	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	2	0	0	0	0	2
Totals	2022	68	30	0	0	0	0	98
	2023	98	39	0	0	0	0	137
	2024	137	51	0	0	0	2	186

REMAINDER OF PAGE LEFT INTENTIONALLY BLANK

Table No. 4
Status of Company-Owned Outlets For Years 2022 to 2024

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Arizona	2022	0	1	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	1	0
California	2022	4	0	0	0	1	3
	2023	3	0	0	1	1	1
	2024	1	0	0	0	0	1
Florida	2022	0	1	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
New Jersey	2022	3	1	0	0	2	2
	2023	2	1	0	0	1	2
	2024	2	0	0	0	1	1
New York	2022	17	0	0	0	4	13
	2023	13	0	0	0	0	13
	2024	13	0	0	0	5	8
Pennsylvania	2022	1	0	0	0	1	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Virginia	2022	1	0	0	0	1	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Totals	2022	26	3	0	0	9	20
	2023	20	1	0	1	2	18
	2024	18	0	0	0	7	11

Table No. 5
Projected Openings as Of December 31, 2024

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year
Arizona	4	1	0
California	61	17	0
Colorado	2	1	0
Connecticut	2	1	0
Delaware	1	0	0
Florida	9	3	0
Georgia	7	2	0
Hawaii	0	1	0
Idaho	1	0	0
Illinois	5	3	0
Kansas	4	3	0
Maryland	10	4	0
Massachusetts	1	0	0
Michigan	2	1	0
Minnesota	7	2	0
Missouri	1	1	0
Nevada	1	1	0
New Jersey	22	7	0
New Mexico	1	1	0
New York	13	7	0
North Carolina	3	2	0
Ohio	6	2	0
Oklahoma	3	1	0
Oregon	1	0	0
Pennsylvania	8	5	0
South Carolina	2	1	0
Tennessee	3	1	0
Texas	25	6	0
Virginia	15	4	0
Washington	4	2	0
District of Columbia	1	0	0
Guam	1	0	0
Puerto Rico	1	0	0
Total	227	80	0

The names, addresses and telephone numbers of our franchisees and their outlets as of December 31, 2024 are attached as Exhibit D.

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 Franchise Agreement terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement or who has left the system during the most recently completed fiscal year, or has not communicated with us within ten (10) weeks of date of disclosure document is listed on Exhibit E.

In our last fiscal year 20 prospects signed our Area Development Agreement.

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

Our franchisees will sign confidentiality clauses. In some instances, current and former franchisees sign provisions restricting their ability to speak openly in connection with their experiences with us. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

We created the Paris Baguette Franchise Advisory Committee ("FAC") in 2022. The FAC officers are Wen Li, wenparisbaguette@gail.com; Jung Ahn, ahn.jung@gmail.com; Woong Chang, eric1219@hotmail.com and Andrew Yoo, yooandrew1@gmail.com. As of date of this Disclosure Document, no independent franchisee organizations have asked to be included in this Disclosure Document.

ITEM 21
FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit A are the audited financial statements for Paris Baguette Family, Inc. for our fiscal years ending on December 31, 2024, December 31, 2023, and December 31, 2022.

ITEM 22
CONTRACTS

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

Exhibit C: **Franchise Agreement**

- Attachment A - Guaranty and Assumption Agreement
- Attachment B - Confidentiality Agreement
- Attachment C - Selected Terms: Location, Protected Area and Opening Date
- Attachment D - Statement of Ownership Interests and Franchisee's Principals
- Attachment E - Electronic Funds Transfer Authorization
- Attachment F - Site Selection and Acquisition Addendum
- Attachment G - Collateral Assignment and Lease Addendum Terms
- Attachment H: Telephone, Internet Websites and Listing Agreement
- Attachment I: General Form of Release
- Attachment J: Consent to Transfer
- Attachment K: Assignment and Assumption Agreement

Exhibit B: **Area Development Agreement**

- Attachment A - Guaranty and Assumption Agreement
- Attachment B - Confidentiality Agreement
- Attachment C - Franchise Agreement
- Attachment D - Statement of Ownership Interests and Area Developer's Principals
- Attachment E - Description of Development Area
- Attachment F - Development Schedule and Opening Dates
- Attachment G – Collateral Assignment and Lease Addendum Terms\
- Attachment H – General Release

Exhibit I: **Summary of Acknowledgments**

Exhibit J: **State Specific Addenda to Franchise Disclosure Document**

ITEM 23
RECEIPTS

Attached to this Disclosure Document are duplicate Receipts that you are required to execute. Please remit one copy and keep a copy for your records.

Exhibit A

FINANCIAL STATEMENTS

Paris Baguette Family, Inc.

PARIS BAGUETTE FAMILY INC.

Financial Statements

December 31, 2024 and 2023

(With Independent Auditors' Report Thereon)

KLiCHS

AUDIT I TAX I ADVISORY

PARIS BAGUETTE FAMILY INC.

Financial Statements

December 31, 2024 and 2023

Table of Contents

	Page
Independent Auditors' Report	1 - 2
Financial Statements:	
Balance Sheets	3 - 4
Statements of Income (Operations)	5
Statements of Changes in Stockholders' Deficiency	6
Statements of Cash Flows	7
Notes to Financial Statements	8 - 17

Independent Auditors' Report

To the Board of Directors
PARIS BAGUETTE FAMILY INC.:

Opinion

We have audited the accompanying financial statements of PARIS BAGUETTE FAMILY INC. (the "Company"), a Delaware corporation, which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of income (operations), changes in stockholders' deficiency, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with generally accepted accounting principles in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audits of the Financial Statements* section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if

there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing audits in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control related matters that we identified during the audits.

Englewood Cliffs, New Jersey
March 21, 2025

PARIS BAGUETTE FAMILY INC.

Balance Sheets

December 31, 2024 and 2023

Assets	2024	2023
Current assets:		
Cash (Note 2)	$ 7,619,773	$ 5,017,402
Restricted cash (Note 2)	430,000	395,000
Accounts receivable (Notes 2, 3 and 4)	3,631,220	4,125,267
Prepaid income taxes	104,415	6,521
Prepaid expenses	219,497	33,683
Total current assets	12,004,905	9,577,873
Property and equipment (Note 2):		
Equipment	336,955	310,178
Furniture and fixture	2,239	—
Leasehold improvements	983,969	943,802
	1,323,163	1,253,980
Less accumulated depreciation	(1,011,221)	(904,367)
Net property and equipment	311,942	349,613
Other noncurrent assets:		
Due from affiliates (Notes 2 and 3)	19,941	182,659
Loan receivable from affiliate (Notes 2 and 3)	4,500,000	—
Security deposit	10,000	10,000
Total other noncurrent assets	4,529,941	192,659
Total assets	$ 16,846,788	$ 10,120,145

See independent auditors' report and accompanying notes to financial statements.

(Continued)

PARIS BAGUETTE FAMILY INC.

Balance Sheets

December 31, 2024 and 2023

Liabilities and Stockholders' Deficiency	2024	2023
Current liabilities:		
Accounts payable (Note 2)	$ 602,337	$ 668,656
Income taxes payable	2,498	94,722
Other taxes payable	43,033	16,254
Accrued expenses	814,398	321,052
Marketing funds (Notes 2 and 3)	2,408,602	2,086,741
Unearned revenue (Notes 2 and 4)	573,799	113,799
Total current liabilities	4,444,667	3,301,224
Noncurrent liabilities:		
Due to affiliates (Notes 2 and 3)	12,108,295	7,844,675
Unearned revenue - noncurrent (Notes 2 and 4)	7,145,504	6,125,302
Total noncurrent liabilities	19,253,799	13,969,977
Total liabilities	23,698,466	17,271,201
Stockholders' deficiency:		
Capital stock, par value $0.0001 per share; 10,000 shares authorized, 2,051 shares issued and outstanding	0	0
Additional paid-in capital	2,050,000	2,050,000
Accumulated deficit	(8,901,678)	(9,201,056)
Total stockholders' deficiency	(6,851,678)	(7,151,056)
Commitments and contingencies (Notes 2 and 7)		
Total liabilities and stockholders' deficiency	$ 16,846,788	$ 10,120,145

See independent auditors' report and accompanying notes to financial statements.

PARIS BAGUETTE FAMILY INC.

Statements of Income (Operations)

Years Ended December 31, 2024 and 2023

	2024	2023
Net revenue (Notes 2 and 4)	$ 96,066,182	$ 66,883,002
Cost of revenue (Note 3)	72,620,575	51,062,854
Gross profits	23,445,607	15,820,148
Selling, general and administrative expenses (Notes 2, 3, 6 and 9)	23,071,324	16,045,160
Operating income (loss)	374,283	(225,012)
Other income (expense):		
Interest income (Note 3)	338,504	5,224
Other income	500	8,000
Other expenses	(7,825)	(121,125)
Net other income (loss)	331,179	(107,901)
Income (loss) before income tax expenses	705,462	(332,913)
Income tax expenses (Notes 2 and 5)	406,084	121,179
Net income (loss)	$ 299,378	$ (454,092)

See independent auditors' report and accompanying notes to financial statements.

PARIS BAGUETTE FAMILY INC.

Statements of Changes in Stockholders' Deficiency

Years Ended December 31, 2024 and 2023

	Class A Common stock		Class B Common stock		Additional paid-in capital	Accumulated deficit	Total stockholders' deficiency
	Shares	Amount	Shares	Amount			
Balance at January 1, 2023	1,005	$ 0	1,046	$ 0	$ 2,050,000	$ (8,746,964)	$ (6,696,964)
Net loss	—	—	—	—	—	(454,092)	(454,092)
Balance at December 31, 2023	1,005	0	1,046	0	2,050,000	(9,201,056)	(7,151,056)
Net income	—	—	—	—	—	299,378	299,378
Balance at December 31, 2024	1,005	$ 0	1,046	$ 0	$ 2,050,000	$ (8,901,678)	$ (6,851,678)

See independent auditors' report and accompanying notes to financial statements.

PARIS BAGUETTE FAMILY INC.

Statements of Cash Flows

Years Ended December 31, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Net income (loss)	$ 299,378	$ (454,092)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	138,228	124,910
Changes in operating assets and liabilities:		
Accounts receivable	494,047	(1,328,901)
Prepaid income taxes	(97,894)	22,812
Prepaid expenses	(185,814)	(10,410)
Due from affiliates	162,718	76,757
Other assets	—	20,697
Accounts payable	(66,319)	524,732
Income taxes payable	(92,224)	94,222
Other taxes payable	26,779	12,196
Accrued expenses	493,346	131,346
Marketing funds	321,861	1,167,881
Unearned revenue	1,480,202	1,322,200
Due to affiliates	4,263,620	957,314
Net cash provided by operating activities	7,237,928	2,661,664
Cash flows from investing activities:		
Purchase of property and equipment	(100,557)	(212,870)
Increase in loan receivable from affiliate	(4,500,000)	—
Net cash used in investing activities	(4,600,557)	(212,870)
Net increase in cash and restricted cash	2,637,371	2,448,794
Cash and restricted cash at beginning of year	5,412,402	2,963,608
Cash and restricted cash at end of year	$ 8,049,773	$ 5,412,402
Supplemental disclosures of cash flow information:		
Cash paid for income taxes	$ 596,202	$ 4,145

See independent auditors' report and accompanying notes to financial statements.

(1) Organization and Nature of Business`

PARIS BAGUETTE FAMILY INC. (the "Company"), incorporated in the State of Delaware on October 27, 2014 and authorized to transact business in the States of California, New Jersey, New York and twenty-three (23) other states, is engaged in business of serving food products such as bakery and beverages to the general public via franchising operations. The Company also develops, franchises, and licenses a system of retail bakery operation and primarily generates revenues via such activities under appropriate development and franchise agreements.

As of December 31, 2024 and 2023, the Company was 32.4% owned by PARIS CROISSANT CO., LTD. ("PCCL") and 67.6% owned by two individuals.

The Company has eight (8) primary affiliates: PCCL; PARIS BAGUETTE BON DOUX, INC. ("PBBD"); PARIS BAGUETTE U.S.A., INC. ("PBU"); PARIS BAGUETTE AMERICA, INC. ("PBA"); PB PROPERTY, LLC ("PBP"); PARIS CROISSANT U.S.A., INC. ("PCU"); PARIS BAGUETTE GIFT CARD SERVICES, INC. ("PBGC"); PBFC LICENSING, INC. ("PBFC"); and PBC BAKERY INC. ("PBCB"). PCCL is a corporation in the Republic of Korea that wholly owns PBBD and has a controlling interest of the Company. PCCL owns and licenses the trademark "Paris Baguette" as well as other proprietary marks, patents, copyrights, and other relevant intellectual properties to PBBD. PBBD in turn sublicenses them to the Company. PBU, PBA and PBP are wholly-owned subsidiaries of PBBD. PBU distributes bakery and general materials and supplies to PBA and the Company. PBA runs retail bakery operations identical to the franchisees of the Company while the ownership of the operations is held by PBA. PBP engages in the business of leasing and managing commercial buildings. PBGC is engaged in the administration of gift card programs. PBFC and PBCB are wholly-owned Canadian subsidiaries of PBBD.

The following summarizes the franchises in operation for the years ended December 31, 2024 and 2023:

	2024	2023
Café balance at beginning of year	137	98
Café opened	44	37
Café transferred*	7	2
Café closed	(2)	—
Café balance at end of year	186	137

* For the years ended December 31, 2024 and 2023, 7 cafés and 2 cafés were transferred from PBA to franchisees, respectively.

(2) Summary of Significant Accounting Policies

(a) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the useful lives of property and equipment, allowance for doubtful accounts, the valuation of property and equipment, and deferred tax assets; income tax uncertainties and other contingencies.

(b) Revenue Recognition

The Company generates revenue from sales of food, supplies and equipment, royalty fees, and franchise fees. Revenue from the sales of food, supplies and equipment is recognized at the point of time when the obligations are performed and satisfied. Revenue from royalty fees is recognized at a point of time the sales from franchisees occur while revenue from franchise fees is recognized over the period of the contract term.

Sales of food, supplies and equipment

Revenue from sales of food, supplies and equipment primarily to franchisees is recognized at a point of time when control of the promised goods is transferred to franchisees, in an amount that reflects the transaction price consideration that the Company to receive in exchange for the goods. Performance obligations related to sales of food, supplies and equipment to its franchisees are generally satisfied at the time when the merchandises are shipped to franchisees. Normal sales returns and allowances are netted and reduce the revenue promptly.

Amount billed for sales and use taxes imposed on revenue producing transactions is presented on a net basis and excluded from revenue on the statements of income (operations) and is recorded as a liability until remitted to the respective taxing authority.

Freight costs incurred by the Company are included in selling, general, and administrative expenses.

Royalty fees

Royalty revenue represents sales-based royalties that is recognized in the period in which the franchisees' sales occur. Sales-based royalties are variable considerations related to the Company's obligation to the franchisees to maintain the intellectual property being licensed. Pursuant to franchise agreements, franchisees are required to pay the Company royalty fees based on a percentage of sales ranging 3% to 5%. Royalty fees are accrued and included in accounts receivable on the balance sheets to the extent unpaid by the franchisees. Performance obligations related to royalties are considered satisfied as franchisees generate sales that are subject to the royalty.

Franchise fees

The Company bills and receives non-refundable franchise and development fees upon the signing of the franchisee or development agreement. Under the agreements, the Company provides franchisees with a license of intellectual property, goods and services, and other administrative supports. Revenue from franchise fees presents use of the intellectual property and relevant services that are recognized over the period of the contract term. Franchise fees collected but not yet recognized are recorded as unearned revenue on the balance sheets.

(c) Cash and Restricted Cash

Financial instruments that potentially subject the Company to credit risk consist primarily of cash. The Company maintains its cash accounts with high quality financial institutions, which, at times, may exceed federally insured coverage. At December 31, 2024 and 2023, the Company has approximately $7,122,000 and $4,688,000, respectively, in excess of the Federal Deposit Insurance Corporation ("FDIC") insured limits. The Company periodically assesses the financial conditions of the institutions and believes that the risk of any loss is minimal. Restricted cash consists of funds that are contractually restricted as to usage or withdrawal due to franchise contractual agreements.

The following table provides a reconciliation of cash and restricted cash reported within balance sheets as of December 31, 2024 and 2023 that sum to the total of the same such amounts shown in the statements of cash flows for the years ended December 31, 2024 and 2023.

Descriptions		2024		2023
Cash	$	7,619,773	$	5,017,402
Restricted cash		430,000		395,000
Total cash and restricted cash shown in the statements of cash flows	$	8,049,773	$	5,412,402

(d) Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are recorded at the invoiced amount and do not bear interest. Amounts collected on accounts receivable are included in net cash from operating activities in the statements of cash flows. The Company charges late fees and bank charges on all overdue amounts. Late fees are accrued from the original due date until paid in full. The Company maintains an allowance for doubtful accounts for estimated losses inherent in its accounts receivable portfolio. In establishing the required allowance, management considers historical losses adjusted to take into account current market conditions and customers' financial condition, the amount of receivables in dispute, and the current receivables aging and current payment patterns. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. Write-offs for the years ended December 31, 2024 and 2023 amounted to none. The Company does not have any off-balance-sheet credit exposure related to its customers.

(e) Property and Equipment

Property and equipment are recorded at cost. Depreciation of property and equipment is provided utilizing the straight-line method over the estimated useful lives of the respective assets as follows:

Equipment	5 years
Furniture and fixture	5 years
Leasehold improvements	10 years
	(Subject to the remaining term of the lease)

Total depreciation for the years ended December 31, 2024 and 2023 was $138,228 and $124,910, respectively, and was recorded in selling, general and administrative expenses.

Significant capital expenditures that enhance the value or materially extend the useful life of the related assets are reflected as additions to property and equipment. Ordinary repairs and maintenance are expensed as incurred. Expenditures that increase the value or productive capacity of assets are capitalized. When property and equipment are retired, sold, or otherwise disposed of, the asset's carrying amount and related accumulated depreciation are removed from the accounts and any gain or loss is included on the statements of income (operations).

(f) Impairment or Disposal of Long-lived Assets

Long-lived assets such as property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If

circumstances require a long-lived asset or asset group be tested for possible impairment, the Company first compares undiscounted cash flows expected to be generated by that asset or asset group to its carrying amount. If the carrying amount of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying amount exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values, and third-party independent appraisals, as considered necessary. No impairment loss was recorded for the years ended December 31, 2024 and 2023.

(g) Fair Value of Financial Instrument

The Company values its assets and liabilities using the valuation methods as described in Financial Accounting Standards Board ("FASB") Accounting Standard Codification ("ASC") 820, *Fair Value Measurements and Disclosures*. In accordance with ASC 820, the Company determines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

ASC 820 establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to active markets for identical assets and liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement).

The Company classifies fair value balances based on the observability of those inputs. The three levels of the fair value hierarchy are as follows:

Level 1 – Observable inputs such as quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active and amounts derived from valuation models where all significant inputs are observable in active markets.

Level 3 – Unobservable inputs that reflect management's assumptions.

The carrying values of cash, restricted cash, accounts receivable and accounts payable approximate fair value because of the short-term duration of these items.

The fair value of amount due from affiliates, loan receivable from affiliate and due to affiliates cannot be determined due to the related nature.

(h) Marketing and Advertising

Marketing and advertising expenses are generally expensed as incurred and are included in selling, general and administrative expenses.

(i) Marketing Funds

The Company maintains and operates marketing funds. Franchisees and corporate cafés under PBA are required to contribute marketing fees and the Company in turn is required to produce various forms of marketing and advertising. As of December 31, 2024 and 2023, the balances of marketing funds collected and not yet spent were $2,408,602 and $2,086,741, respectively, and are presented as marketing funds in current liabilities on the balance sheets.

(j) Provision for Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is provided when it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company records interest related to unrecognized tax benefits in interest expense and penalties in noninterest expense account, if any. Management believes that there are no significant unrecognized tax benefits as of December 31, 2024 and 2023.

(k) Commitments and Contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

(l) Recently Issued Accounting Standards

In December 2023, the FASB issued Accounting Standards Update ("ASU") 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The amendments in ASU 2023-09 require greater disaggregation of income tax disclosures related to the income tax rate reconciliation and income taxes paid. ASU 2023-09 is effective for annual periods beginning after December 15, 2025 and early adoption is permitted. The Company continues to assess the overall impact of the adoption of this guidance will have on its financial statements.

(3) Related Party Transactions and Balances

The Company has transactions with the related parties in the normal course of business. Transactions and balances with the related parties as of and for the years ended December 31, 2024 and 2023 are as follows:

(a) PBBD

Descriptions	2024	2023
Management fees	$ 12,823,224	$ 9,268,536
Interest income	155,293	—
Loan receivable from affiliate*	4,500,000	—
Due to affiliates*	4,861,339	436,408

* Due to affiliate represents receivables resulting from operational activities and is settled periodically in the ordinary course of operations. In contrast, the loan receivable from affiliate is a distinct loan arrangement recorded as an asset and is subject to specific redemption terms. In June 2024, the Company entered into a loan agreement with PBBD. The loan in the principal amount of $4,500,000 bears interest at 6.90% per annum and matures on June 30, 2027. The interest income of $155,293 has been accrued as increase in due from affiliate, which was netted against due to affiliates as of December 31, 2024.

(b) PBA

Descriptions	2024	2023
Due from affiliates	$ —	$ 163,921
Due to affiliates	744,579	—
Contribution to marketing funds	813,508	1,250,987

(c) PBU

Descriptions	2024	2023
Purchase of inventory	$ 72,490,596	$ 51,048,272
Due to affiliates	6,502,377	7,407,517

(d) PBP

Descriptions	2024	2023
Due from affiliates	$ 3,619	$ —
Due to affiliates	—	750

(e) PBFC

Descriptions	2024	2023
Accounts receivable	$ 97,020	$ —
Due from affiliates	16,322	16,322

(f) PBCB

Descriptions		2024		2023
Due from affiliates	$	—	$	2,416

(4) Revenue Recognition

The Company generates all the revenue from the sales of food, supplies and equipment, royalty fees, and franchise fees.

The following table summarizes composition of the Company's net revenue by revenue streams for the years ended December 31, 2024 and 2023:

Descriptions		2024		2023
Sales of food, supplies and equipment	$	71,859,603	$	50,749,029
Royalty fees		20,382,377		13,855,423
Franchise fees and others		3,824,202		2,278,550
	$	96,066,182	$	66,883,002

The balances of accounts receivable and unearned revenue as of December 31, 2024 and 2023 are as follows:

Descriptions		2024		2023
Accounts receivable	$	3,631,220	$	4,125,267
Unearned revenue – current		573,799		113,799
Unearned revenue – noncurrent		7,145,504		6,125,302

The general slowdown in the economy caused by uncertainty about future market conditions may continue to adversely impact the franchisees' profits and cash flows. As such, it is reasonably possible that the financial condition of the franchisees may deteriorate significantly from the current levels in the near term. The accounts receivable and revenue losses resulting from such deterioration may have a severe impact on the operations of the Company.

(5) Income Tax Expenses

Income tax expenses for the years ended December 31, 2024 and 2023 consist of the following:

Descriptions		2024		2023
Current income tax expenses:				
Federal	$	373,428	$	92,971
State		32,656		28,208
	$	406,084	$	121,179

The significant components of deferred tax assets, deferred tax liabilities and valuation allowances as of December 31, 2024 and 2023 are as follows:

Descriptions		2024		2023
Deferred tax assets:				
Unearned revenue	$	2,106,118	$	1,653,314
Accrued expenses		728,237		550,412
Net operating loss carryforwards		85,713		364,671
Research and development expense		13,738		7,154
General business credit		—		93
Total gross deferred tax assets		2,933,806		2,575,644
Less valuation allowance		(2,929,703)		(2,572,505)
Net deferred tax assets		4,103		3,139
Deferred tax liabilities:				
Property and equipment		(4,103)		(3,139)
Deferred tax assets, net	$	—	$	—

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, the projected future taxable income, and tax planning strategies in making this assessment. Based upon the level of projections for future taxable income over the period in which the deferred tax assets are deductible, the management has provided full valuation allowances for the Company's deferred tax assets at December 31, 2024 and 2023.

As of December 31, 2024 and 2023, the Company has net operating loss carryforwards of approximately none and $1,137,000 for U.S. federal, and approximately $5,391,000 and $5,895,000, respectively, for the state income tax purpose available to offset future taxable income, if any. The net operating loss carryforwards, if not utilized, will begin to expire in the year 2035 for the state income tax purpose.

The Company had no unrecognized tax benefits and consequently had not accrued interest and penalties related thereto as of December 31, 2024 and 2023. The Company does not expect its unrecognized tax

benefit balance to change significantly in the next twelve (12) months, and the States of California, New Jersey, New York and twenty-three (23) other states are principally where the Company is subject to state taxes. The Company is subject to U.S. federal and state tax examination for the tax years 2020 through 2024.

(6) Employee Benefit Plan

The Company sponsors a qualified 401(k) Savings and Investment Plan (the "401(k) Plan") for certain eligible employees, whereby employees may contribute up to 100% of their pre-tax compensation, up to the federal annual limits. The Company matches 50% of employee contributions up to 6% of the employee's eligible compensation for each pay period, if an employee elects to make such contributions. For the years ended December 31, 2024 and 2023, the Company contributed $92,332 and $55,865, respectively, to the 401(k) Plan and recorded the matching contributions as employee benefits in selling, general and administrative expenses.

(7) Commitments and Contingencies

The Company is subject to various legal proceedings and claims that arise in the ordinary course of business. There are no pending significant legal proceedings to which the Company is a party for which management believes the ultimate outcome would have a material impact on the Company's financial position, liquidity or results of operations.

(8) Subsequent Events

The Company has evaluated the subsequent events from the balance sheet date through March 21, 2025, the date at which the financial statements were available to be issued and has determined that there are no items to disclose.

(9) Selling, General and Administrative Expenses

The selling, general and administrative expenses for the years ended December 31, 2024 and 2023 are as follows:

Descriptions	2024	2023
Auto expenses	$ 190,156	$ 158,715
Communications	31,433	20,931
Depreciation	138,228	124,910
Due and subscription	1,452	—
Employee benefits	113,923	61,341
Freight	2,958	1,689
Insurance	455,235	98,971
License	380,593	280,703
Management fees	8,067,991	9,268,536
Marketing and advertising	281,306	298,395
Meals and entertainment	84,232	36,036
Payroll	6,457,672	3,839,300
Payroll taxes	436,368	263,046
Professional fees	506,273	583,955
Repair and maintenance	15,859	135,980
Research and development	32,770	27,909
Royalty fee	4,755,233	—
Service fees	28,345	123,139
Supplies	56,686	22,398
Taxes	390	3,518
Training	30,459	77,720
Travel	997,883	589,124
Miscellaneous	5,879	28,844
	$ 23,071,324	$ 16,045,160

PARIS BAGUETTE FAMILY INC.

Financial Statements

December 31, 2023 and 2022

(With Independent Auditors' Report Thereon)

KLiCHS

AUDIT I TAX I ADVISORY

PARIS BAGUETTE FAMILY INC.

Financial Statements

December 31, 2023 and 2022

Table of Contents

	Page
Independent Auditors' Report	1 - 2
Financial Statements:	
Balance Sheets	3 - 4
Statements of Operations	5
Statements of Changes in Stockholders' Deficiency	6
Statements of Cash Flows	7
Notes to Financial Statements	8 - 17

Independent Auditors' Report

To the Board of Directors
PARIS BAGUETTE FAMILY INC.:

Opinion

We have audited the accompanying financial statements of PARIS BAGUETTE FAMILY INC. (the "Company"), a Delaware corporation, which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of operations, changes in stockholders' deficiency, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with generally accepted accounting principles in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audits of the Financial Statements* section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting

from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing audits in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control related matters that we identified during the audits.

Englewood Cliffs, New Jersey
March 21, 2024

PARIS BAGUETTE FAMILY INC.

Balance Sheets

December 31, 2023 and 2022

Assets	2023	2022
Current assets:		
Cash (Note 2)	$ 5,017,402	$ 2,963,608
Restricted cash (Note 2)	395,000	—
Accounts receivable (Notes 2 and 4)	4,125,267	2,796,366
Prepaid income taxes	6,521	29,333
Prepaid expenses	33,683	23,273
Total current assets	9,577,873	5,812,580
Property and equipment (Note 2):		
Equipment	310,178	191,888
Leasehold improvements	943,802	815,518
	1,253,980	1,007,406
Less accumulated depreciation	(904,367)	(745,753)
Net property and equipment	349,613	261,653
Other noncurrent assets:		
Due from affiliates (Notes 2 and 3)	182,659	259,416
Other assets	10,000	30,697
Total other noncurrent assets	192,659	290,113
Total assets	$ 10,120,145	$ 6,364,346

See independent auditors' report and accompanying notes to financial statements.

(Continued)

PARIS BAGUETTE FAMILY INC.

Balance Sheets

December 31, 2023 and 2022

Liabilities and Stockholders' Deficiency	2023	2022
Current liabilities:		
Accounts payable (Note 2)	$ 668,656	$ 143,924
Income taxes payable	94,722	500
Other taxes payable	16,254	4,058
Accrued expenses	321,052	189,706
Marketing funds (Notes 2 and 3)	2,086,741	918,860
Unearned revenue (Notes 2 and 4)	113,799	253,799
Total current liabilities	3,301,224	1,510,847
Noncurrent liabilities:		
Due to affiliates (Notes 2 and 3)	7,844,675	6,887,361
Unearned revenue - noncurrent (Notes 2 and 4)	6,125,302	4,663,102
Total noncurrent liabilities	13,969,977	11,550,463
Total liabilities	17,271,201	13,061,310
Stockholders' deficiency:		
Capital stock, par value $0.0001 per share; 10,000 shares authorized, 2,051 shares issued and outstanding	0	0
Additional paid-in capital	2,050,000	2,050,000
Accumulated deficit	(9,201,056)	(8,746,964)
Total stockholders' deficiency	(7,151,056)	(6,696,964)
Commitments and contingencies (Notes 2 and 7)		
Total liabilities and stockholders' deficiency	$ 10,120,145	$ 6,364,346

See independent auditors' report and accompanying notes to financial statements.

PARIS BAGUETTE FAMILY INC.

Statements of Operations

Years Ended December 31, 2023 and 2022

	2023	2022
Net revenue (Notes 2 and 4)	$ 66,883,002	$ 43,412,021
Cost of revenue (Note 3)	51,062,854	33,524,183
Gross profits	15,820,148	9,887,838
Selling, general and administrative expenses (Notes 2, 3, 6 and 9)	16,045,160	11,799,601
Operating loss	(225,012)	(1,911,763)
Other income (expense):		
Other income	13,224	150,015
Other expenses	(121,125)	(37,752)
	(107,901)	112,263
Loss before income tax expenses	(332,913)	(1,799,500)
Income tax expenses (Notes 2 and 5)	121,179	64,368
Net loss	$ (454,092)	$ (1,863,868)

See independent auditors' report and accompanying notes to financial statements.

PARIS BAGUETTE FAMILY INC.

Statements of Changes in Stockholders' Deficiency

Years Ended December 31, 2023 and 2022

	Class A Common stock		Class B Common stock		Additional paid-in capital	Accumulated deficit	Total stockholders' deficiency
	Shares	Amount	Shares	Amount			
Balance at January 1, 2022	1,005	$ 0	1,046	$ 0	$ 2,050,000	$ (6,883,096)	$ (4,833,096)
Net loss	—	—	—	—	—	(1,863,868)	(1,863,868)
Balance at December 31, 2022	1,005	0	1,046	0	2,050,000	(8,746,964)	(6,696,964)
Net loss	—	—	—	—	—	(454,092)	(454,092)
Balance at December 31, 2023	1,005	$ 0	1,046	$ 0	$ 2,050,000	$ (9,201,056)	$ (7,151,056)

See independent auditors' report and accompanying notes to financial statements.

PARIS BAGUETTE FAMILY INC.

Statements of Cash Flows

Years Ended December 31, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Net loss	$ (454,092)	$ (1,863,868)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	124,910	106,155
Changes in operating assets and liabilities:		
Accounts receivable	(1,328,901)	(1,389,034)
Prepaid income taxes	22,812	(28,513)
Prepaid expenses	(10,410)	(23,273)
Due from affiliates	76,757	1,691,889
Other assets	20,697	(30,697)
Accounts payable	524,732	102,366
Income taxes payable	94,222	(34,642)
Other taxes payable	12,196	(711)
Accrued expenses	131,346	(54,301)
Marketing funds	1,167,881	189,825
Unearned revenue	1,322,200	1,503,694
Due to affiliates	957,314	1,096,097
Net cash provided by operating activities	2,661,664	1,264,987
Cash flows used in investing activities:		
Purchase of property and equipment	(212,870)	(78,054)
Net increase in cash and restricted cash	2,448,794	1,186,933
Cash and restricted cash at beginning of year	2,963,608	1,776,675
Cash and restricted cash at end of year	$ 5,412,402	$ 2,963,608
Supplemental disclosures of cash flow information:		
Cash paid for income taxes	4,145	58,239

See independent auditors' report and accompanying notes to financial statements.

(1) Organization and Nature of Business`

PARIS BAGUETTE FAMILY INC. (the "Company"), incorporated in the State of Delaware on October 27, 2014 and authorized to transact business in the States of Arizona, California, Colorado, Florida, Geogia, Illinois, Kansas, Massachusetts, Michigan, North Carolina, Nevada, New Jersey, New York, Ohio, Oregon, Pennsylvania, South Carolina, Texas and Virginia, is engaged in business of serving food products such as bakery and beverages to the general public via franchising operations. The Company also develops, franchises, and licenses a system of retail bakery operation and primarily generates revenues via such activities under appropriate development and franchise agreements.

As of December 31, 2023 and 2022, the Company was 32.4% owned by PARIS CROISSANT CO., LTD. ("PCCL") and 67.6% owned by two individuals.

The Company has seven primary affiliates: PCCL; PARIS BAGUETTE BON DOUX, INC. ("PBBD"); PARIS BAGUETTE U.S.A., INC. ("PBU"); PARIS BAGUETTE AMERICA, INC. ("PBA"); PB PROPERTY, LLC ("PBP"); PARIS CROISSANT U.S.A., INC. ("PCU"); PBFC LICENSING, INC. ("PBFC"); and PBC BAKERY INC. ("PBCB"). PCCL is a corporation in the Republic of Korea that wholly owns PBBD and has a controlling interest of the Company. PCCL owns and licenses the trademark "Paris Baguette" as well as other proprietary marks, patents, copyrights, and other relevant intellectual properties to PBBD. PBBD in turn sublicenses them to the Company. PBU, PBA and PBP are Delaware corporations, wholly owned by PBBD. PBU distributes bakery and general materials and supplies to PBA and the Company. PBA runs retail bakery operations identical to the franchisees of the Company while the ownership of the operations is held by PBA. PBP engages in the business of leasing and managing commercial buildings. PBFC and PBCB are Canadian corporations, wholly owned by PBBD.

The following summarizes the franchises in operation for the years ended December 31, 2023 and 2022:

	2023	2022
Café balance at beginning of year	98	68
Café opened	37	21
Café transferred*	2	9
Café balance at end of year	137	98

* For the years ended December 31, 2023 and 2022, 2 cafés and 9 cafés were transferred from PBA to franchisees, respectively.

(2) Summary of Significant Accounting Policies

(a) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the useful lives of property and equipment, allowance for doubtful accounts, the valuation of property and equipment, and deferred tax assets; income tax uncertainties and other contingencies.

(b) Revenue Recognition

The Company generates revenue from sales of food, supplies and equipment, royalty fees, and franchise fees. Revenue from the sales of food, supplies and equipment is recognized at the point of time when the obligations are performed and satisfied. Revenue from royalty fees is recognized at a point of time the sales from franchisees occur while revenue from franchise fees is recognized over the period of the contract term. Freight costs incurred by the Company are included in selling, general, and administrative expenses.

Sales of food, supplies and equipment

Revenue from sales of food, supplies and equipment primarily to franchisees is recognized at a point of time when control of the promised goods is transferred to franchisees, in an amount that reflects the transaction price consideration that the Company to receive in exchange for the goods. Performance obligations related to sales of food, supplies and equipment to its franchisees are generally satisfied at the time when the merchandises are shipped to franchisees. Normal sales returns and allowances are netted and reduce the revenue promptly.

Amount billed for sales and use taxes imposed on revenue producing transactions is presented on a net basis and excluded from sales on the statements of operations and is recorded as a liability until remitted to the respective taxing authority.

Royalty fees

Royalty revenue represents sales-based royalties that is recognized in the period in which the franchisees' sales occur. Sales-based royalties are variable considerations related to the Company's obligation to the franchisees to maintain the intellectual property being licensed. Pursuant to franchise agreements, franchisees are required to pay the Company royalty fees based on a percentage of sales ranging 3% to 5%. Royalty fees are accrued and included in accounts receivable on the balance sheets to the extent unpaid by the franchisees. Performance obligations related to royalties are considered satisfied as franchisees generate sales that are subject to the royalty.

Franchise fees

The Company bills and receives non-refundable franchise and development fees upon the signing of the franchisee or development agreement. Under the agreements, the Company provides franchisees with a license of intellectual property, goods and services, and other administrative supports. Revenue from franchise fees presents use of the intellectual property and relevant services that are recognized over the period of the contract term. Franchise fees collected but not yet recognized are recorded as unearned revenue on the balance sheets.

(c) Cash and Restricted Cash

Financial instruments that potentially subject the Company to credit risk consist primarily of cash. The Company maintains its cash accounts with high quality financial institutions, which, at times, may exceed federally insured coverage. At December 31, 2023 and 2022, the Company has approximately $4,688,000 and $2,746,000, respectively, in excess of the Federal Deposit Insurance Corporation ("FDIC") insured limits. The Company periodically assesses the financial conditions of the institutions and believes that the risk of any loss is minimal. Restricted cash consists of funds that are contractually restricted as to usage or withdrawal due to franchise contractual agreements.

The following table provides a reconciliation of cash and restricted cash reported within balance sheet as of December 31, 2023 that sum to the total of the same such amounts shown in the statement of cash flows for the year ended December 31, 2023.

Cash	$	5,017,402
Restricted cash		395,000
Total cash and restricted cash shown in the statement of cash flows	$	5,412,402

(d) Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are recorded at the invoiced amount and do not bear interest. Amounts collected on accounts receivable are included in net cash from operating activities in the statements of cash flows. The Company charges late fees and bank charges on all overdue amounts. Late fees are accrued from the original due date until paid in full. The Company maintains an allowance for doubtful accounts for estimated losses inherent in its accounts receivable portfolio. In establishing the required allowance, management considers historical losses adjusted to take into account current market conditions and customers' financial condition, the amount of receivables in dispute, and the current receivables aging and current payment patterns. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. Write-offs for the years ended December 31, 2023 and 2022 amounted to none. The Company does not have any off-balance-sheet credit exposure related to its customers.

(e) Property and Equipment

Property and equipment are recorded at cost. Depreciation of property and equipment is provided utilizing the straight-line method over the estimated useful lives of the respective assets as follows:

Equipment	5 years
Leasehold improvements	10 years (Subject to the remaining term of the lease)

Total depreciation for the years ended December 31, 2023 and 2022 was $124,910 and $106,155, respectively, and was recorded in selling, general and administrative expenses.

Significant capital expenditures that enhance the value or materially extend the useful life of the related assets are reflected as additions to property and equipment. Ordinary repairs and maintenance are expensed as incurred. Expenditures that increase the value or productive capacity of assets are capitalized. When property and equipment are retired, sold, or otherwise disposed of, the asset's carrying amount and related accumulated depreciation are removed from the accounts and any gain or loss is included on the statements of operations.

(f) Impairment or Disposal of Long-lived Assets

Long-lived assets such as property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset or asset group be tested for possible impairment, the Company first compares undiscounted cash flows expected to be generated by that asset or asset group to its carrying amount. If the carrying amount of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying amount exceeds its fair value. Fair value is determined through various valuation techniques including

discounted cash flow models, quoted market values, and third-party independent appraisals, as considered necessary. No impairment loss was recorded for the years ended December 31, 2023 and 2022.

(g) Fair Value of Financial Instrument

The Company values its assets and liabilities using the valuation methods as described in Financial Accounting Standards Board ("FASB") Accounting Standard Codification ("ASC") 820, *Fair Value Measurements and Disclosures*. In accordance with ASC 820, the Company determines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

ASC 820 establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to active markets for identical assets and liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement).

The Company classifies fair value balances based on the observability of those inputs. The three levels of the fair value hierarchy are as follows:

Level 1 – Observable inputs such as quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active and amounts derived from valuation models where all significant inputs are observable in active markets.

Level 3 – Unobservable inputs that reflect management's assumptions.

The carrying values of cash, restricted cash, accounts receivable and accounts payable approximate to fair value because of the short-term duration of these items.

The fair value of amount due from affiliates and due to affiliates cannot be determined due to the related nature.

(h) Marketing and Advertising

Marketing and advertising expenses are generally expensed as incurred and are included in selling, general and administrative expenses.

(i) Marketing Funds

The Company maintains and operates marketing funds. Franchisees and corporate cafés under PBA are required to contribute marketing fees and the Company in turn is required to produce various forms of marketing and advertising. As of December 31, 2023 and 2022, the balances of marketing funds collected and not yet spent were $2,086,741 and $918,860, respectively, and are presented as marketing funds in current liabilities on the balance sheets.

(j) Provision for Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and

operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is provided when it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company records interest related to unrecognized tax benefits in interest expense and penalties in noninterest expense account, if any. Management believes that there are no significant unrecognized tax benefits as of December 31, 2023 and 2022.

(k) Commitments and Contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

(l) Recently Issued and Adopted Accounting Standards

In December 2023, the FASB issued Accounting Standards Update ("ASU") 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The amendments in ASU 2023-09 require greater disaggregation of income tax disclosures related to the income tax rate reconciliation and income taxes paid. ASU 2023-09 is effective for annual periods beginning after December 15, 2025 and early adoption is permitted. The Company continues to assess the overall impact of the adoption of this guidance will have on its financial statements.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses (Topic 326)*: For most financial assets, such as trade and other receivables, loans and other instruments, this standard changes the current incurred loss model to a forward-looking expected credit loss model, which generally will result in the earlier recognition of allowances for losses. This guidance is effective for fiscal years beginning after December 15, 2022 and interim periods within those fiscal years using a modified retroactive approach. The Company adopted the guidance effective January 1, 2023. The adoption of this guidance did not have a material impact on its financial statements.

(3) Related Party Transactions and Balances

The Company has transactions with the related parties in the normal course of business. Transactions and balances with the related parties as of and for the years ended December 31, 2023 and 2022 are as follows:

(a) PBBD

Descriptions	2023	2022
Management fees	$ 9,268,536	$ 6,755,151
Due to affiliates	436,408	5,701,113

(b) PBA

Descriptions	2023	2022
Due from affiliate	$ 163,921	$ 240,679
Contribution to marketing funds	1,250,987	1,293,261

(c) PBU

Descriptions	2023	2022
Purchase of inventory	$ 51,048,272	$ 33,571,810
Due to affiliates	7,407,517	1,186,248

(d) PBP

Descriptions	2023	2022
Due to affiliate	$ 750	$ -

(e) PBFC

Descriptions	2023	2022
Due from affiliate	$ 16,322	$ 16,321

(f) PBCB

Descriptions	2023	2022
Due from affiliate	$ 2,416	$ 2,416

(4) Revenue Recognition

The Company generates all the revenue from the sales of food, supplies and equipment, royalty fees, and franchise fees.

The following table summarizes composition of the Company's revenue by revenue streams for the years ended December 31, 2023 and 2022:

Descriptions		2023		2022
Sales of food, supplies and equipment	$	50,749,029	$	33,387,393
Royalty fees		13,855,423		8,836,690
Franchise fees and others		2,278,550		1,187,938
	$	66,883,002	$	43,412,021

The balances of accounts receivable and unearned revenue as of December 31, 2023 and 2022 are as follows:

Descriptions		2023		2022
Accounts receivable	$	4,125,267	$	2,796,366
Unearned revenue – current		113,799		253,799
Unearned revenue – noncurrent		6,125,302		4,663,102

The general slowdown in the economy caused by uncertainty about future market conditions may continue to adversely impact the franchisees' profits and cash flows. As such, it is reasonably possible that the financial condition of the franchisees may deteriorate significantly from the current levels in the near term. The accounts receivable and revenue losses resulting from such deterioration may have a severe impact on the operations of the Company.

(5) Income Tax Expenses

Income tax expenses for the years ended December 31, 2023 and 2022 consist of the following:

Descriptions	2023	2022
Current income tax expenses:		
Federal	$ 92,971	$ 376
State	28,208	63,992
	$ 121,179	$ 64,368

The significant components of deferred tax assets, deferred tax liabilities and valuation allowances as of December 31, 2023 and 2022 are as follows:

Descriptions	2023	2022
Deferred tax assets:		
Unearned revenue	$ 1,653,314	$ 1,293,422
Accrued expenses	550,412	245,451
Net operating loss carryforwards	364,671	764,432
Research and development expense	7,154	611
General Business Credit	93	93
Property and equipment	—	2,635
Total gross deferred tax assets	2,575,644	2,306,644
Less valuation allowance	(2,572,505)	(2,306,644)
Net deferred tax assets	3,139	—
Deferred tax liabilities:		
Property and equipment	(3,139)	—
Net deferred tax liabilities	(3,139)	—
Deferred tax assets, net	$ —	$ —

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, the projected future taxable income, and tax planning strategies in making this assessment. Based upon the level of projections for future taxable income over the period in which the deferred tax assets are deductible, the management has provided full valuation allowances for the Company's deferred tax assets at December 31, 2023 and 2022.

As of December 31, 2023 and 2022, the Company has net operating loss carryforwards of approximately $1,137,000 and $2,903,000 for U.S. federal, and approximately $5,895,000 and $5,904,000, respectively, for the state income tax purpose available to offset future taxable income, if any. The net operating loss carryforwards, if not utilized, will begin to expire in the year 2035 for the state income tax purpose, while the net operating loss carryforwards for U.S. federal income tax purpose, if not utilized, will carryover indefinitely.

The Company had no unrecognized tax benefits and consequently had not accrued interest and penalties related thereto as of December 31, 2023 and 2022. The Company does not expect its unrecognized tax benefit balance to change significantly in the next twelve (12) months, and the states of Arizona, California, Colorado, Florida, Geogia, Illinois, Kansas, Massachusetts, Michigan, North Carolina, Nevada, New Jersey, New York, Ohio, Oregon, Pennsylvania, South Carolina, Texas and Virginia are principally where the Company is subject to state taxes. The Company is subject to U.S. federal and state tax examination for the tax years 2019 through 2023.

(6) Employee Benefit Plan

The Company sponsors a qualified 401(k) Savings and Investment Plan (the "401(k) Plan") for certain eligible employees, whereby employees may contribute up to 100% of their pre-tax compensation, up to the federal annual limits. The Company matches 50% of employee contributions up to 6% of the employee's eligible compensation for each pay period, if an employee elects to make such contributions. For the years ended December 31, 2023 and 2022, the Company contributed $55,865 and $44,235, respectively, to the 401(k) Plan and recorded the matching contributions as employee benefits in selling, general and administrative expenses.

(7) Commitments and Contingencies

The Company is subject to various legal proceedings and claims that arise in the ordinary course of business. There are no pending significant legal proceedings to which the Company is a party for which management believes the ultimate outcome would have a material impact on the Company's financial position, liquidity or results of operations.

(8) Subsequent Events

The Company has evaluated the subsequent events from the balance sheet date through March 21, 2024, the date at which the financial statements were available to be issued and has determined that there are no items to disclose.

(9) Selling, General and Administrative Expenses

The selling, general and administrative expenses for the years ended December 31, 2023 and 2022 are as follows:

Descriptions	2023	2022
Auto expenses	$ 158,715	$ 144,036
Communications	20,931	—
Depreciation	124,910	106,155
Employee benefits	61,341	49,444
Freight	1,689	1,077
Insurance	98,971	156,157
License	280,703	105,361
Management fees	9,268,536	6,755,151
Marketing and advertising	298,395	142,946
Meals and entertainment	36,036	38,446
Payroll	3,839,300	3,156,163
Payroll taxes	263,046	228,801
Professional fees	583,955	382,030
Rent	—	5,200
Repair and maintenance	135,980	12,538
Research and development	27,909	2,860
Service fees	123,139	84,361
Supplies	22,398	18,421
Taxes	3,518	3,439
Training	77,720	27,949
Travel	589,124	365,604
Miscellaneous	28,844	13,462
	$ 16,045,160	$ 11,799,601

Exhibit B

AREA DEVELOPMENT AGREEMENT

Paris Baguette Family, Inc.

PARIS BAGUETTE FAMILY INC.
AREA DEVELOPMENT AGREEMENT

TABLE OF CONTENTS

Page

SECTION 1. DEFINITIONS AND GRANT 1
- A. Definitions 1
- B. Grant of Rights 3
- C. Scope of Area Developer's Rights 3
- D. Retained Rights 3

SECTION 2. FEES 4
- A. Area Development Fee 4
- B. Initial Franchise Fee 4
- C. Past Due Amounts; Acceptance and Application of Payments 4

SECTION 3. SCHEDULE AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS 5
- A. Franchise Agreement Execution; Compliance with Conditions 5
- B. Development Schedule 6
- C. Opening Dates 6

SECTION 4. TERM 6
- A. Term - Generally 6
- B. Limited Additional Development Right 6
- C. Exercise of Right of Additional Development 7
- D. Conditions to Exercise of Right of Additional Development 7

SECTION 5. DUTIES OF FRANCHISOR 7
- A. Site Selection Guidelines 7
- B. Training 8
- C. Manuals 8

SECTION 6. DEVELOPER'S OBLIGATIONS 8
- A. Continuing Obligations 8
- B. Organization 8
- C. Ownership 9
- D. Financial Matters 9
- E. Operating Principal 10
- F. Training 11
- G. Site Selection 11
- H. Internet Website 12
- I. Legal Compliance 12

SECTION 7. DEFAULT AND TERMINATION; POST TERMINATION OBLIGATIONS 12
- A. Termination Without Notice or Cure 12
- B. Termination on Notice 13
- C. Termination After Notice and Opportunity to Cure 14
- D. Additional Remedies 14
- E. Effect on Franchise Agreements Remedies; Non-Exclusive 14
- F. Post-Termination Obligations 15

SECTION 8. TRANSFER OF INTEREST 15
- A. By Franchisor 15
- B. By Area Developer and Principals 15

SECTION 9. COVENANTS 16
A. Confidentiality 16
B. Non-competition Covenants 16
C. Non-Disparagement 17
D. Reasonable Restrictions 17
E. Reduction of Scope of Covenant 18
F. Enforcement 18
G. Execution of Covenants 18
H. Injunctive Relief 18
I. New Developments 18
J. Anti-Terrorism Laws 19

SECTION 10. INDEPENDENT CONTRACTOR 19
A. Independent Contractor Relationship 19
B. No Authority 19

SECTION 11. INDEMNIFICATION 19
A. Indemnity 19
B. Defense of Claim 20
C. Remedial Action 21
D. Losses and Expenses 21
E. Contributory Negligence 21
F. No Duty to Mitigate; Survival of Obligations 22

SECTION 12. MISCELLANEOUS 22
A. Notices 22
B. Entire Agreement 22
C. No Waiver 23
D. Approval or Consent 23
E. Force Majeure 23
F. INTERNAL DISPUTE RESOLUTION AND MEDIATION 23
G. Arbitration 24
H. JURISDICTION AND VENUE 25
I. GOVERNING LAW 26
J. DAMAGES WAIVER 26
K. JURY WAIVER 26
L. WAIVER OF CLASS ACTIONS 26
M. BUSINESS JUDGMENT 26
N. LIMITATION OF CLAIMS 26
O. Counterpart Execution 27
P. Headings 27
Q. Survival 27
R. Severability 27
S. Gender 27
T. Remedies Cumulative 27
U. No Third Party Beneficiary 28
V. Further Assurances 28
W. Agreement Effective Upon Execution by Franchisor 28

ATTACHMENT A: Guaranty and Assumption Agreement
ATTACHMENT B: Confidentiality Agreement
ATTACHMENT C: Franchise Agreement
ATTACHMENT D: Statement of Ownership Interests and Area Developer's Principals
ATTACHMENT E: Description of Development Area
ATTACHMENT F: Development Schedule, Notices and Development Fee
ATTACHMENT G: Collateral Assignment and Lease Addendum Term
ATTACHMENT H: Release

PARIS BAGUETTE FAMILY INC. AREA DEVELOPMENT AGREEMENT

This Area Development Agreement (the "Agreement") is made and entered into on _____ between Paris Baguette Family Inc., a Delaware corporation ("Franchisor"), and _____, a[n] _____ ("Area Developer") and shall be effective as of the date on which Franchisor executes this Agreement ("Effective Date"). Certain initially capitalized terms used frequently in this Agreement are defined in Section 1(A).

Recitals

Franchisor has the right to use and license the use of a system (the "System") for the establishment and operation of Paris Baguette Cafes under the Marks (defined below) ("Paris Baguette Cafes").

The distinguishing characteristics of the System include, without limitation, distinctive exterior and interior design, decor, color scheme, and 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; and advertising and promotional programs, all of which may be changed, deleted, 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 "Paris Baguette" 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 (the "Marks").

Franchisor licenses franchisees to use the Marks and the System to establish and operate Paris Baguette Cafes under Franchise Agreements with Franchisor.

Area Developer wishes to obtain certain development rights to obtain and operate Paris Baguette Cafes (the "Cafes") under Franchise Agreements with Franchisor in the Development Area described in this Area Development 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:

SECTION 1. DEFINITIONS AND GRANT

A. Definitions.

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

"Area Developer's Principals" or "Principals" shall include, the Operating Principal and, collectively and individually, all holders of an ownership interest in Area Developer and of any entity directly or indirectly controlling Area Developer.

"Business Day" means any day other than Saturday, Sunday or the following national holidays: New Year's Day, Martin Luther King Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving and Christmas Day.

"Cafe Manager" or "Cafe Managers" means a person who is designated by Area Developer and approved by Franchisor to supervise and manage the operations of a Cafe developed under this Agreement.

"Competing Business" means a business that owns, operates, licenses or franchises a bakery/cafe style restaurant that offers baked goods such as breads, croissants, baguettes, pastries and cakes, as well as coffee, tea and other beverages. A Competing Business also includes a business that produces or manufactures baked goods. A Competing Business includes, but is not limited to, Panera Bread, Einstein Bros Bagels, Pret a Manger, Le Pain Quotidien, Paul French Bakery and Cafe, Au Bon Pain, La Madeleine Country French Café, Corner Bakery Cafe, and Tous Les Jour.

"Confidential Information" means any confidential information, knowledge, trade secrets, non-public information or know-how concerning the methods of development hereunder and of establishing and operating a Paris Baguette Cafe that Franchisor or any of its Affiliates may communicate or disclose to Area Developer, any of its Affiliates, any of the Principals, the Operating Principal, a Cafe Manager or any employee or agent of Area Developer (whether in writing, electronic communication, verbally, by observation or otherwise). Confidential Information includes any and all information, knowledge, trade secrets, know-how, techniques, Internet/Intranet passwords, information in the Manuals and any materials used in or related to the System, the terms of this Agreement or any Franchise Agreement or ancillary agreement, financial and marketing information, any information in connection with any supplier to the System, production or manufacturing information and any other non-public information relating to the System.

"Development Area" means the geographic area described in Attachment E to this Area Development Agreement.

"Development Period(s)" means the discrete periods set forth in the Development Schedule within which Area Developer must establish and have in operation the designated number of Cafes.

"Development Schedule" means, collectively, the schedule in Attachment F of this Agreement which designates the number of Paris Baguette Cafes to be established and operated by Area Developer in the Development Area upon the expiration of each designated Development Period and the schedule in Attachment F which establishes the Opening Date deadline for each Cafe.

"Force Majeure" means acts of God, strikes, lockouts or other industrial disturbances (including without limitation those affecting production and supply), war, embargoes, terrorism, riot, natural disasters, man-made disasters, fire or other catastrophe, compliance with the orders, regulations, rules or laws of any federal, state, or municipal government, or other forces beyond Franchisor's or Area Developer's control.

"Franchise Agreements" means franchise agreements for Paris Baguette Cafes executed pursuant to this Area Development Agreement, as described in Section 3(A)(1).

"Guaranty" means that Guaranty and Assumption Agreement the form of which is attached to this Agreement at Attachment A.

"Operating Principal" means a qualified individual who meets the requirements in Section 6(E) of this Agreement and who is designated by Area Developer and approved by Franchisor.

"Permanently Disabled" shall 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.

"Opening Date Deadline" means the date by which each Cafe must be open for business, which shall be no later than the date for each Cafe set forth in the Development Schedule.

"Reserved Area" is any mall (defined as an enclosed indoor or outdoor retail space consisting of 250,000 or more square feet); airport; train or bus station; hospital; school, college, university or other educational institution; hotel, resort or other lodging facility; amusement park; sports facility; state or national parks; exhibition hall, conference facility or convention center; casino or gambling establishment; military base; highway plaza or rest stops; or any similar area.

B. Grant of Rights. Franchisor hereby grants to Area Developer and Area Developer hereby accepts the right and obligation to develop Cafes within the Development Area (excluding any Reserved Area) in accordance with the terms and conditions set forth in this Agreement. The development rights shall be exercised following satisfaction of the conditions set forth in Section 3(A) hereof and as provided in the Development Schedule.

C. Scope of Area Developer's Rights. Area Developer acknowledges and agrees that the rights granted hereunder pertain only to the development of Cafes and that this Agreement does not confer upon Area Developer a right or franchise to establish or operate any Cafe. This Agreement is intended by the parties to set forth the terms and conditions which, if fully satisfied by Area Developer, shall entitle Area Developer to execute Franchise Agreements for the establishment and operation of Cafes within the Development Area (excluding any Reserved Area). This Agreement is not a franchise agreement and does not grant to Area Developer any right or license to operate a Cafe or distribute goods or services under the Marks. Area Developer further acknowledges and agrees that the rights and duties set forth in this Agreement are personal to Area Developer and that Franchisor has granted such rights in reliance on the representations and warranties of Area Developer and its Principals. Area Developer and its Principals have represented to Franchisor that they have entered into this Agreement for the purpose and with the intention to fully comply with the Cafe development obligations hereunder.

D. Retained Rights. Subject to Area Developer's full compliance with this Agreement and the full compliance of Area Developer and its Affiliates with any other agreement between Area Developer or any of its Affiliates and Franchisor or any of its Affiliates, neither Franchisor nor any Affiliate shall establish, or authorize any person or entity other than Area Developer or any of its Affiliates to establish, a Paris Baguette Cafe in the Development Area (other than in a Reserved Area) during the term of this Agreement. The rights granted to Area Developer under this Agreement are nonexclusive, and Franchisor and its Affiliates have and retain all rights within and outside the Development Area except those expressly granted to Area Developer. Accordingly, Franchisor, its Affiliates, and any other authorized person or entity shall have the right, among others: (1) to develop and establish other business systems using the Marks and the right to develop and establish other names or marks and to grant licenses to use those systems at any location without providing any rights to Area Developer; (2) to advertise and promote the System in the Development Area; (3) to operate, and license others to operate, Paris Baguette Cafes at any location outside the Development Area and in any Reserved Area, including locations that are adjacent to the Development Area; (4) to operate or license any type of business under other names or marks inside or outside the Development Area; (5) to acquire the assets or ownership interest in (or merge or become affiliated with) one or more businesses operating under names other than the Marks, including competing businesses, and the right to convert those locations to Paris Baguette Cafes, regardless of location, and the right to be acquired by (or merge or become affiliated with) any other business operating under names other than the Marks, including a competing business, with locations anywhere, which may result in the required conversion of Paris Baguette Cafes; and (6) except for any restriction set forth in the Franchise Agreements, to engage, directly or indirectly, at wholesale, retail or otherwise, in the production, distribution, license and sale of any and all food, beverages, or other services and products, under the Marks, or under other names or marks, within and outside the Development Area, through any method of distribution, including,

but not limited to, from or through catering, delivery, temporary or seasonal facilities at special events or venues (including, without limitation, concerts, street fairs, parks, parades, sporting events, and similar venues), mail order catalogs or the Internet, regardless of the proximity to, or the competitive impact on, Area Developer's Cafes.

SECTION 2. FEES

A. Area Development Fee. In consideration of the development rights granted herein, Area Developer shall pay to Franchisor an area development fee equal to twenty thousand dollars ($20,000) multiplied by the number of Cafes that Area Developer will establish under this Agreement, as set forth in the Development Schedule (the "Area Development Fee"). The Area Development Fee shall be payable by electronic fund transfer, unless another method is required by Franchisor, and is deemed fully earned and non-refundable, upon execution of this Agreement in consideration of the administrative and other expenses incurred by Franchisor and for the development opportunities lost or deferred as a result of the rights granted to Area Developer herein.

B. Initial Franchise Fee. For each Franchise Agreement entered into pursuant to this Area Development Agreement, the initial franchise fee shall be forty thousand dollars ($40,000) (the "Initial Franchise Fee"). So long as Area Developer is in compliance with the Development Schedule, and each Franchise Agreement is executed by the deadline set forth in the Development Schedule, Franchisor shall credit twenty thousand dollars ($20,000) of the Area Development Fee against the Initial Franchise Fee payable under each such Franchise Agreement, which credit shall be made upon Area Developer's execution of each Franchise Agreement.

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

(1) Any payment not actually received by Franchisor on or before the due date shall be deemed overdue. Time is of the essence for all payments to be made by Area Developer to Franchisor. All unpaid obligations under this Agreement shall bear a late fee ("Late Fee") from the date due until paid at the lesser of eighteen (18%) percent per annum (365-day year), or the maximum rate allowed by applicable law. No provision of this Agreement shall require the payment or permit the collection of a Late Fee in excess of the maximum rate allowed by applicable law. If for any reason any Late Fee in excess of the maximum rate allowed by applicable law shall be deemed charged, required or permitted, any such excess shall be applied as a payment to reduce any other amounts that may be due and owing hereunder, and if no such amounts are due and owing hereunder, then such excess shall be repaid to the party making the payment. Area Developer shall also be responsible for reimbursing Franchisor for then-current bank or lender charges related to the past due payment. Where Area Developer has a record of being late with amounts due and owing to Franchisor, Franchisor may unilaterally change payment terms including without limitation that Area Developer pay cash on delivery or that payments be made in advance, to sufficiently ensure that Franchisor is paid for goods delivered to Area Developer.

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

(3) Franchisor shall have the right to apply any payment it receives from Area Developer to any amounts Area Developer owes Franchisor or its Affiliates under this Agreement or any other agreement between them, even if Area Developer has designated the payment for another purpose or account. Franchisor may accept any check or payment in any amount from Area Developer 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 shall constitute or be considered as an accord or satisfaction.

(4) Area Developer shall have no right to withhold any payments due Franchisor because 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 Area Developer.

SECTION 3. SCHEDULE AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS

A. Franchise Agreement Execution; Compliance with Conditions.

(1) Area Developer shall exercise the development rights granted hereunder only by entering into (or, with Franchisor's written consent, causing a wholly-owned subsidiary or an Affiliate of Area Developer with the same ownership as Area Developer to enter into) a separate Franchise Agreement with Franchisor for each Cafe for which a development right is granted. The Franchise Agreement for the first Cafe to be developed by Area Developer or Area Developer's Affiliate under this Agreement shall be in the form of the Franchise Agreement attached as Attachment C and shall be executed simultaneously with the execution of this Agreement. All subsequent Cafes developed under this Agreement shall be established and operated pursuant to the form of Franchise Agreement then being used by Franchisor for new franchisees of Cafes under the System, except that the Initial Franchise Fee shall be determined as provided in Section 2(B) above, and the royalty and marketing fund expenditure percentages will be the same as those payable for the first franchise agreement executed under this Agreement, *provided however* that any royalty incentive discounts applied to the first franchise agreement shall not apply unless separately earned for each subsequent location in accordance to the terms of the royalty incentive program, if applicable. The franchise agreements shall also be included in the term "Franchise Agreement" as used in this Agreement and shall be executed by Area Developer or Area Developer's Affiliate in accordance with this Section 3.

(2) Prior to exercising any development right granted hereunder, Area Developer shall apply to Franchisor for a franchise to operate a Cafe within the Development Area. If Franchisor, in its sole discretion, determines that Area Developer has met each of the following operational, financial, and legal conditions, then Franchisor will grant Area Developer a franchise for a Cafe in the Development Area:

(a) Operational Conditions. Area Developer is in compliance with the Development Schedule and this Agreement and Area Developer or its Affiliates are in compliance with any other agreement between them and Franchisor or its Affiliates. Area Developer is conducting the operation of its existing Cafe(s), if any, and is capable of conducting the operation of the proposed Cafes in accordance with the terms and conditions of this Agreement, the respective Franchise Agreements, and the standards, specifications, and procedures set forth and described in the Manuals (defined in the Franchise Agreement).

(b) Financial Conditions. Area Developer and the Principals satisfy Franchisor's then-current financial criteria for developers and principals of Paris Baguette Cafes. Area Developer and the Principals have been and are faithfully performing all terms and conditions under each of the existing Franchise Agreements with Franchisor. Area Developer is not in default, and has not been in default during the twelve (12) months preceding Area Developer's request for financial approval, of any monetary obligations

owed to Franchisor or its Affiliates under any Franchise Agreement or other agreement between Area Developer or its Affiliates and Franchisor or its Affiliates. Area Developer acknowledges and agrees that it is vital to Franchisor's interest that each of its franchisees is financially sound to avoid failure of a Cafe and that such failure would adversely affect the reputation and good name of Franchisor and the System.

(c) Legal Conditions. Area Developer has submitted to Franchisor, in a timely manner, all information and documents requested by Franchisor as a basis for the issuance of individual franchises or pursuant to any right granted to Franchisor by this Agreement or by any Franchise Agreement.

B. Development Schedule. Acknowledging that time is of the essence, Area Developer agrees to exercise its development rights in accordance with Section 3(A) and the Development Schedule. Area Developer may, subject to the terms and conditions of this Agreement and with Franchisor's prior written consent, which may be withheld in its sole discretion, develop more than the total minimum number of Cafes which Area Developer is required to develop during any Development Period. Any Cafes in excess of the minimum number of Cafes required to be developed shall be applied to satisfy Area Developer's development obligation during the next succeeding Development Period, if any. Notwithstanding the above, Area Developer shall not open or operate more than the cumulative total number of Cafes Area Developer is obligated to develop under the Development Schedule.

If during the term of this Agreement, Area Developer ceases to operate any Cafe developed under this Agreement for any reason, Area Developer shall develop a replacement Cafe. The replacement Cafe shall be developed within a reasonable time (not to exceed one- hundred eighty (180) days) after Area Developer ceases to operate the original Cafe. Area Developer must sell all Cafes developed under this Agreement together and may not sell individual Cafes without the written consent of Franchisor, which may be withheld in Franchisor's sole discretion. If, during the term of this Agreement, Area Developer transfers its interest in any Cafes in accordance with the terms of the applicable Franchise Agreements for the Cafes, the transferred Cafes shall continue to be counted in determining whether Area Developer has complied with the Development Schedule so long as such Cafes continue to be operated as Paris Baguette Cafes.

Failure by Area Developer to adhere to the Development Schedule (including any extensions thereof approved by Franchisor in writing) or to any time for the development of replacement Cafes shall constitute a material breach of this Agreement.

C. Opening Dates. Area Developer acknowledges that the Opening Date Deadlines for each Cafe to be developed hereunder are reasonable. Subject to Area Developer's compliance with Section 3(A) hereof, Area Developer shall execute a Franchise Agreement for each Cafe prior to the applicable Opening Date Deadline as set forth in the Development Schedule.

SECTION 4. TERM

A. Term - Generally. The term of this Agreement will begin on the Effective Date and, unless sooner terminated, will expire on the earlier of: (i) the date Area Developer has completed its development obligations under this Agreement, or (ii) 11:59 pm on the last day specified in the Development Schedule (the "Term").

B. Limited Additional Development Right. At least ninety (90) days prior to (but no more than one-hundred eighty days (180) days prior to) the expiration of the Term, if Area Developer wishes to exercise additional development in the Development Area, Area Developer shall send written notice to

Franchisor electing such additional development. Within forty-five (45) days after receipt of such notice, if Franchisor shall determine, in its sole discretion, that further development of the Development Area is desirable, Franchisor shall notify Area Developer in writing of Franchisor's determination to develop additional Cafes in the Development Area and a plan and fee structure for such development over a desired term as determined by Franchisor. Area Developer shall have a prior right to undertake such additional development, which Franchisor shall have set forth in its notice to Area Developer. This right of additional development by Area Developer shall be exercised only in accordance with Section 4(C) below and is subject to the conditions set forth in Section 4(D). If Area Developer does not exercise such right of additional development, Franchisor or any franchisee franchised by Franchisor may construct, equip, open and operate additional Paris Baguette Cafes in the Development Area.

C. Exercise of Right of Additional Development. At the time Franchisor delivers to Area Developer written notice of its determination to undertake additional development in the Development Area, Franchisor shall also deliver to Area Developer a copy of Franchisor's then-current Area Development Agreement. The new Area Development Agreement, which may vary substantially from this Agreement, will reflect Area Developer's new development obligation consistent with Franchisor's plan for additional development set forth in its notice to Area Developer. Fourteen (14) days after Area Developer's receipt of the new Area Development Agreement, Area Developer shall execute two copies of the Area Development Agreement and return them to Franchisor. If Area Developer has so executed and returned the copies and has satisfied the conditions set forth in Section 4(D), Franchisor will execute the copies and return one fully executed copy to Area Developer and Area Developer must pay the required then-current Area Development Fee(s).

D. Conditions to Exercise of Right of Additional Development. Area Developer's right to additional development shall be subject to Area Developer's fulfillment of the following conditions precedent:

(1) Area Developer shall have fully performed all of its obligations under this Agreement and all other agreements between it and the Franchisor and shall not be in default of any such agreements.

(2) Area Developer shall have demonstrated to Franchisor its financial capacity to perform the additional development obligations set forth in the new Area Development Agreement. In determining if Area Developer is financially capable, Franchisor will apply the same criteria to Area Developer as it applies to prospective developers at that time.

SECTION 5. DUTIES OF FRANCHISOR

Franchisor agrees to provide the services described below:

A. Site Selection Guidelines. To assist Area Developer in its selection of sites for its Cafes, Franchisor will provide to Area Developer:

(1) Franchisor's written site selection guidelines.

(2) Such on-site evaluation as Franchisor may deem necessary on its own initiative or in response to Area Developer's reasonable request for site selection evaluation; provided, that Franchisor shall not provide an on-site evaluation for any proposed site prior to receiving all required information and materials prepared and submitted pursuant to Section 6(G), below and, in Franchisor's discretion, prior to receiving such information for multiple proposed sites. Franchisor will provide up to three (3) site visits in connection with the site evaluation of a Cafe without

additional charge, including one (1) visit for site evaluation and up to two (2) visits for construction consultation. If more on-site evaluations are deemed appropriate by Franchisor for any one Cafe, or are requested by Area Developer for selecting a site for any Cafe to be developed under this Agreement, then Franchisor may require Area Developer to pay Franchisor its then-current evaluation costs for performing each such additional site evaluation including reimbursing Franchisor for expenses incurred by Franchisor in conducting such on-site evaluation. Area Developer 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 Cafe operated at that site will be profitable or otherwise successful.

(3) On loan, a set of prototypical architectural and design plans and specifications for a Paris Baguette Cafe. A traditional Paris Baguette Cafe typically has a footprint of approximately 3,000 square feet or more, and has an inviting area for in-Cafe dining.

B. Training. Franchisor will provide training of Area Developer's Operating Principal and any other Principal who may be active in the operations of the business with the consent of Franchisor, all in accordance with Section 6(F) of this Agreement.

C. Manuals. Franchisor will provide Area Developer with access to one (1) set of Manuals for each Cafe to be developed hereunder, which may be provided electronically.

SECTION 6. DEVELOPER'S OBLIGATIONS

A. Continuing Obligations. Area Developer and its Principals make the following representations, warranties and covenants and accept the following obligations. Such representations, warranties and covenants are continuing obligations, and Area Developer and its Principals acknowledge and agree that any failure to comply with them shall constitute a material event of default under this Agreement. Area Developer will cooperate with Franchisor to verify compliance with the following representations, warranties and covenants.

B. Organization. Area Developer represents, warrants and covenants that:

(1) If an entity, Area Developer is duly organized and validly existing as a corporation, partnership, limited liability company or other legal entity under the law of the state of its formation;

(2) If an entity, Area Developer 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) If an entity, Area Developer's corporate charter or written partnership or limited liability company agreement shall at all times provide that the activities of Area Developer are confined exclusively to the development and operation of Paris Baguette Cafes;

(4) If an entity, the execution of this Agreement and the performance of the transactions contemplated hereby have been duly authorized by Area Developer; and

(5) If an entity, the Area Developer has furnished to Franchisor prior to the execution of this Agreement, copies of all applicable charter documents, bylaws, authorizing resolutions or consents signed by the requisite number of parties required to approve such action is a corporation

and any other corporate, partnership or limited liability company documents requested by the Franchisor.

C. Ownership.

(1) The identity of the owner and amount of ownership interests in Area Developer are accurately and completely described in Attachment D. Area Developer shall maintain at all times a current list of all owners of record and all beneficial owners of any class of voting securities in Area Developer or, if Area Developer is a partnership, limited liability company or other form of legal entity, Area Developer shall maintain at all times a current list of all owners of any equity interest and the percentage interest of such owners. Area Developer shall make its list of owners available to Franchisor upon request.

(2) If Area Developer is a corporation, Area Developer shall 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 shall 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 Area Developer is a partnership or limited liability company, its written partnership or limited liability company agreement shall 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.

(3) All Principals and their spouses must sign the Guaranty in the form of Attachment A.

(4) If, after the execution of this Agreement, any person ceases to qualify as one of the Area Developer's Principals or if any individual succeeds to or otherwise comes to occupy a position which, upon approval by Franchisor, would qualify him or her as one of Area Developer's Principals and if such person has not already been approved by Franchisor pursuant to other provisions of this Agreement, Area Developer shall notify Franchisor within ten (10) days after any such change and, upon approval of such person by Franchisor as one of Area Developer's Principals, such person shall execute all documents and instruments (including, as applicable, the Guaranty) as Franchisor may require others in such positions to execute.

D. Financial Matters.

Area Developer and, at Franchisor's request, each of the Principals have provided Franchisor with the most recent financial statements of Area Developer and such Principals. Such financial statements present fairly the financial position of Area Developer and each of the Principals, as applicable, at the dates indicated therein and, with respect to Area Developer, 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.

(1) Area Developer shall provide Franchisor with all loan or other documents regarding the financing of the business contemplated hereby that Franchisor may request.

(2) Area Developer shall maintain at all times during the term of this Agreement sufficient working capital to fulfill its obligations under this Agreement.

(3) Area Developer shall provide written notice to Franchisor of any material changes to its financial position (including but not limited to any material liability or obligation incurred outside the ordinary course of business) within three (3) days of becoming aware of such material change.

E. Operating Principal. Franchisor has the right to be satisfied that the strategic and tactical decision makers for each franchisee and Area Developer, along with those individuals who control the day-to-day development and operations of any Cafe, are responsible, adequately trained and qualified, and in all other ways suitable for the undertaking. Upon the execution of this Agreement, Area Developer shall designate, and shall retain at all times during the term of this Agreement, an individual to serve as Area Developer's Operating Principal, who is identified, as of the Effective Date, in Attachment D and who shall be approved by Franchisor. The Operating Principal shall be the person with whom Franchisor will communicate on all major policy, financial, management and operational matters, and the only person from Area Developer that Franchisor will recognize as having authority to communicate for and on Area Developer's behalf and on behalf of each of the franchised entities formed pursuant to this Agreement. The Operating Principal under this Agreement and under each Franchise Agreement executed pursuant hereto shall be the same individual. Area Developer must obtain Franchisor's written consent and approval of the Operating Principal. In addition, the Operating Principal shall, during the entire period he or she serves as such, meet the following qualifications and such other standards as may be set forth by Franchisor in the Manuals or otherwise in writing:

(1) The Operating Principal shall maintain a direct or indirect ownership interest of not less than ten percent (10%) in Area Developer or each of its Affiliates operating a Paris Baguette Cafe. Except as may otherwise be provided in this Agreement, the Operating Principal's interest in Area Developer or such Affiliates shall 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 shall execute the Guaranty, and shall be individually, jointly and severally, bound by all obligations of Area Developer hereunder.

(2) Notwithstanding Section 6(E)(1), Area Developer must designate for each Cafe a Cafe Manager to supervise the operation of each Cafe developed under this Agreement; provided, that Area Developer and its Operating Principal shall remain fully responsible for each Cafe Manager's performance. Each Cafe Manager and any employee receiving confidential information shall execute the Confidentiality Agreement attached as Attachment B to this Agreement. Area Developer must obtain Franchisor's written consent of any Cafe Manager.

(3) Area Developer's Operating Principal shall devote reasonable and adequate time to the supervision of the business contemplated by this Agreement, and, without Franchisor's written consent, shall not engage in any other business.

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

(5) Area Developer 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, Area Developer must provide for interim management of its operations in accordance with this Agreement. Any failure to comply with this Section 6(E) will be a material breach of this Agreement.

F. Training. Area Developer's Operating Principal and any Café Manager shall successfully complete Franchisor's training program within a reasonable period of time after the execution of this Agreement. Any successor or replacement Operating Principal or Café Manager shall successfully complete Franchisor's training program within ninety (90) days from when such persons are approved by Franchisor. Such persons, and any other personnel of Area Developer who Franchisor may designate, shall attend and complete any additional training that Franchisor may from time to time require. Training shall be conducted at locations designated by Franchisor.

(1) Initial training for Area Developer's Operating Principal and Café Manager 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. Area Developer 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 Area Developer or its Operating Principal or Café Manager.

(2) If Area Developer's Operating Principal or Café Manager fails, in Franchisor's sole judgment, to satisfactorily complete Franchisor's training program, and Area Developer fails to cure such default within ninety (90) days following written notice from Franchisor, Franchisor may terminate this Agreement.

G. Site Selection. Area Developer assumes all cost, liability, expense and responsibility for selecting, obtaining and developing a site within the Development Area for each Cafe to be developed pursuant to this Agreement.

(1) Before acquiring a site for a Cafe, Area Developer shall provide, in the form specified by Franchisor, a description of the proposed site, evidence satisfactory to Franchisor demonstrating that the proposed site satisfies Franchisor's site selection guidelines, and such other information and materials as Franchisor may reasonably require, including, but not limited to, a letter of intent or other evidence satisfactory to Franchisor confirming Area Developer's favorable prospects for obtaining the site. Recognizing that time is of the essence, Area Developer agrees that it will provide such site information for its first cafe no later than ninety (90) days after the execution of this Agreement.

(2) No site may be used for a Cafe unless it is first accepted in writing by Franchisor, and Area Developer shall not make any binding commitment with respect to a site for a Cafe unless the site is first accepted in writing by Franchisor. After receiving Area Developer's site information, Franchisor shall have thirty (30) days to determine, in its reasonable discretion, the suitability of the proposed site as the location for the Cafe. If Franchisor concludes that the proposed site is a suitable location, then Area Developer must provide a copy of the proposed contract of sale or lease, as applicable, for Franchisor's review. Area Developer understands and agrees that Franchisor (a) may not accept a site if the term of the lease is shorter than the term of the Franchise Agreement and (b) will not accept a site unless an addendum to the lease, containing covenants, in substantially the form of those in Attachment G hereto, is attached to the lease and incorporated therein. Area Developer acknowledges that Franchisor's review of any leases, sub-leases or real estate purchase agreements and Franchisor's review of prospective sites are simply to ensure that the site meets Franchisor's then-acceptable criteria which have been established for its own purposes. Neither the acceptance of a site or lease, nor Franchisor's rendering of assistance in the selection of a site constitute a representation, promise, warranty or guarantee, express or implied, by Franchisor that the Cafe operated at that site will be profitable or otherwise successful.

(3) Promptly following Franchisor's acceptance of the site for each Cafe, but in no event no later than sixty (60) days after such acceptance, Area Developer shall acquire the site by purchase or lease, at Area Developer's expense. Area Developer shall furnish to Franchisor a copy of the executed lease or contract of sale within three (3) days after execution of such lease or contract of sale.

(4) Area Developer must sign a Franchise Agreement and the related ancillary documents (in the form attached hereto for the first Cafe and in the then current form for the System in the case of subsequent Cafes developed hereunder) prior to commencing construction on the applicable Cafe. The entity entering into the Franchise Agreement shall be the Area Developer or a wholly-owned subsidiary of Area Developer or an Affiliate of Area Developer with the same owners and percentage ownership as Area Developer, unless otherwise approved by Franchisor in its sole discretion. The site for each Cafe which has been accepted by Franchisor and acquired by Area Developer, including the address of such site, shall be entered on Attachment C to the relevant Franchise Agreement as the location of such Cafe.

(5) Notwithstanding any of the foregoing, each Cafe must be open for business by the Opening Date Deadline.

H. Internet Website. Area Developer shall not establish any website or other listing on the Internet or in any virtual world except as provided in the Franchise Agreement.

I. Legal Compliance. In addition to complying with its obligations under this Agreement, Area Developer shall comply with all applicable federal, state and local laws, rules, regulations, ordinances and orders. Such laws, rules, regulations, ordinances and orders vary from jurisdiction to jurisdiction and may be amended, implemented or interpreted in a different manner from time to time. It is Area Developer'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.

SECTION 7. DEFAULT AND TERMINATION; POST TERMINATION OBLIGATIONS

A. Termination Without Notice or Cure. Area Developer shall be deemed to be in material default under this Agreement and all rights granted herein shall automatically terminate without notice to Area Developer if:

(1) Area Developer or a Principal becomes insolvent or makes a general assignment for the benefit of creditors or files a voluntary petition 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 an involuntary petition is filed with respect to Area Developer under any such laws, or Area Developer admits in writing its inability to pay its debts when due;

(2) Area Developer is adjudicated bankrupt or insolvent in proceedings filed against Area Developer under any section or chapter of federal bankruptcy law or any similar law or statute of the United States or any state;

(3) A bill in equity or other proceeding for the appointment of a receiver of Area Developer or other custodian for Area Developer's business or assets is filed and consented to by Area Developer, or if a receiver or other custodian (permanent or temporary) of Area Developer's assets or property, or any part thereof, is appointed by any court of competent jurisdiction;

(4) Proceedings for a composition with creditors under any state or federal law are instituted by or against Area Developer;

(5) A final judgment against Area Developer remains unsatisfied or of record for thirty (30) days or longer (unless superseded bond is filed);

(6) Area Developer is dissolved;

(7) Execution is levied against Area Developer's business or property;

(8) Judicial, non-judicial or administrative proceedings to foreclose any lien or mortgage against the premises or equipment of any business operated hereunder or under any Franchise Agreement is instituted and not dismissed within thirty (30) days;

(9) The real or personal property of any business operated hereunder or under any Franchise Agreement shall be sold after levy by any sheriff, marshal or constable;

B. Termination on Notice. Area Developer shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Area Developer any opportunity to cure the default, effective immediately upon written notice to Area Developer, upon the occurrence of any of the following events of default:

(1) If Area Developer fails to comply with the Development Schedule, or otherwise fails to satisfy its obligations set forth in Section 3.

(2) If Area Developer or any of the Principals is convicted of, or enters a plea of nolo contendere to, a felony, 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.

(3) If a threat or danger to public health or safety results from the construction, maintenance or operation of any Cafe developed under this Agreement.

(4) If Area Developer or any of the Principals breach in any material respect any of the representations, warranties and covenants in Section 6.

(5) If Area Developer or any of the Principals transfers or attempts to transfer any rights or obligations under this Agreement, or any interest in Area Developer or the business contemplated hereby contrary to the terms of this Agreement, or if an approved transfer upon death or permanent disability is not effected within the time and in the manner prescribed by Section 8(B).

(6) If Area Developer or any of the Principals fails to comply with the covenants in Section 9.

(7) If Area Developer, or any of the Principals, receive (3) or more written notices to cure in any three (3) month period, whether such defaults are of the same or different nature and whether such defaults have been cured after notice by Franchisor.

(8) If Area Developer or its Principals use or disclose the Marks in an unauthorized manner.

(9) If Area Developer or its Principals or any of its Affiliates materially defaults under any Franchise Agreement with Franchisor or its Affiliates.

C. Termination After Notice and Opportunity to Cure. Except as provided in Sections 7(A) and (B), upon the occurrence of any event set forth below, Area Developer shall be deemed to be in material default, and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, by giving Area Developer written notice stating the nature of the default and the applicable cure period (defined below). Area Developer may avoid termination by curing such default to Franchisor's satisfaction within the time set forth below or such longer period as applicable law may require ("cure period"). If a default is not cured within the cure period, Area Developer's rights under this Agreement shall terminate without further notice to Area Developer effective immediately upon the expiration of the cure period.

(1) If Area Developer fails, refuses or neglects promptly to pay when due any monetary obligation owing to Franchisor or any of its Affiliates and fails to cure such default within five (5) days following notice from Franchisor.

(2) If Area Developer fails to designate a qualified replacement Operating Principal or Café Manager within thirty (30) days after any initial or successor Operating Principal or Café Manager ceases to serve.

(3) If Area Developer fails to obtain the execution of the covenants required under Section 9(G) within thirty (30) days following Franchisor's request that Area Developer do so.

(4) If Area Developer fails to comply with any other term or condition imposed by this Agreement and fails to cure within thirty (30) days following notice from Franchisor.

D. Additional Remedies. Upon default by Area Developer under Section 7(B) or (C), Franchisor may, in its sole discretion, elect to exercise any one or more of the following remedies in lieu of terminating this Agreement: (1) terminate or modify any territorial protections granted to Area Developer in Section 1, (2) reduce the size of the Development Area, (3) reduce the number of Cafes that Area Developer may establish pursuant to the Development Schedule, or (4) require additional training at Area Developer's expense.

(1) If Franchisor elects to exercise one or more of the additional remedies set forth above, Area Developer shall continue to develop Cafes in accordance with its rights and obligations hereunder, as so modified. To the extent such rights are modified pursuant to this Section 7(D) Area Developer acknowledges that Franchisor shall be entitled to establish, and to license others to establish, Paris Baguette Cafes in some or all of the Development Area, except as may be otherwise provided under any Franchise Agreement which is then in effect between Franchisor and Area Developer.

(2) Franchisor's exercise of any of its remedies under this Section 7(D) shall not constitute a waiver by Franchisor to exercise its option to terminate this Agreement at any time with respect to a subsequent event of default of a similar or different nature.

E. Effect on Franchise Agreements Remedies; Non-Exclusive.

(1) No default under this Agreement shall constitute a default under any Franchise Agreement, unless the default is also a default under the terms of such Franchise Agreement.

(2) No right or remedy herein conferred upon or reserved to Franchisor is exclusive of any other right or remedy provided or permitted by law or in equity.

F. Post-Termination Obligations. Upon the termination or expiration of this Agreement, Area Developer shall have no right to establish or operate any Cafe for which a Franchise Agreement has not been executed by Franchisor and delivered to Area Developer at the time of termination or expiration (but may complete development of and/or operate Cafes under then-existing Franchise Agreements) and Franchisor may develop, or authorize others to develop, Paris Baguette Cafes in the Development Area. Upon the expiration or termination of this Agreement:

(1) Area Developer and the Principals shall comply with the restrictions on confidential information contained in Section 9(A) and the covenants against competition contained in Section 9(B). Any other person required to execute similar covenants pursuant to Section 9(G) shall also comply with such covenants.

(2) Area Developer and its Principals shall promptly pay all sums owing to Franchisor and its subsidiaries or Affiliates. Such sums shall include all damages, costs and expenses, including reasonable attorneys' fees and costs, incurred by Franchisor because of any default by Area Developer, which obligation shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of the personal property, furnishings, equipment, signs, fixtures, and inventory owned by Area Developer and on the premises operated under any Franchise Agreement at the time of default.

(3) Area Developer and the Principals shall pay to Franchisor all damages, costs and expenses, including reasonable attorneys' fees and costs, incurred by Franchisor in connection with obtaining any remedy available to Franchisor for any violation of this Agreement and after the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Section 7(F).

SECTION 8. TRANSFER OF INTEREST

A. By Franchisor. Franchisor shall 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 Area Developer's consent, and upon such transfer or assignment, the transferee or assignee shall be solely responsible for all Franchisor's obligations arising hereunder after 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 entities, or may be acquired by another entity; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring.

B. By Area Developer and Principals. Area Developer understands and acknowledges that the rights and duties set forth in this Agreement are personal to Area Developer, and that Franchisor has granted such rights in reliance on the business skill, financial capacity and personal character of Area Developer and Area Developer's Principals. Accordingly, Area Developer may not transfer any direct or indirect interest in itself or in this Agreement without the consent of Franchisor. Additionally, a sale, transfer, encumbrance or assignment requiring the prior written consent of the Franchisor shall be deemed to occur: (i) if Area Developer is a corporation or limited liability company, upon any change, assignment, sale, pledge or transfer of any of the voting stock or membership interests of Area Developer including any ownership restructuring of Area Developer or of any owners of Area Developer or (ii) if Area Developer is a partnership, upon the change, assignment, sale, pledge or transfer of any partnership ownership, including an ownership restructuring of Area Developer. Any purported assignment or transfer, by operation of law

or otherwise, not having the written consent of the Franchisor, shall be null and void and shall constitute a material breach of this Agreement, for which the Franchisor may then terminate this Agreement.

C. Conditions for Approval. Approval to sell or transfer pursuant to this Section 8, if permitted by Franchisor in its sole discretion, may be conditioned upon the following: (i) satisfaction of all monetary obligations to Franchisor and/or its parent, affiliate or predecessor, or suppliers; (ii) the timely cure of all existing defaults under any agreement between with Franchisor; (iii) execution of a transfer agreement and general release (subject to state law); (iv) providing Franchisor with a copy of the executed purchase agreement relating to the proposed transfer; and (v) the transferee must have paid Franchisor the transfer fee of Forty Thousand Dollars ($40,000). The proposed transferee must sign a guaranty and must have demonstrated that he or she meets Franchisor's standards, possesses good moral character, business reputation and credit rating, and has the aptitude and adequate financial resources to fulfill the obligations under this Agreement. At Franchisor's option, the transferee may be required to sign the then-current form of Area Development Agreement.

SECTION 9. COVENANTS

A. Confidentiality. Neither Area Developer, any Principal nor any Affiliate of Area Developer shall, during the term of this Agreement and following the termination or expiration of this Agreement, disclose, communicate or divulge to any other person, persons, partnership, limited liability company, corporation or other entity or association, or use for any purpose other than the development and operation of the Cafes as set forth in this Agreement, any Confidential Information. Area Developer and each of the Principals shall disclose such Confidential Information only to those employees of Area Developer or Area Developer's Affiliates who must have access to it in connection with their employment and shall be liable to Franchisor for the actions of any such individual to whom Confidential Information is provided by it. Any disclosure or use of such Confidential Information by any employee, Principal or agent of Area Developer contrary to the terms of this provision shall be a breach by Area Developer of this provision. Neither Area Developer nor the Principals shall at any time, without Franchisor's prior written consent, copy, duplicate, record or otherwise reproduce such Confidential Information, in whole or in part, or otherwise make the same available to any unauthorized person and any such Confidential Information must be returned to Franchisor upon its request. The covenant in this Section shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon Area Developer, Area Developer's Affiliates and each of the Principals.

B. Non-competition Covenants. Area Developer 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 production, operational, sales, promotional and marketing methods and techniques of the System. Area Developer 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, Area Developer and the Principals covenant as follows:

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

(a) Divert, or attempt to divert, any business, employee, agent, representative, contractor, or customer of the business described hereunder to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(b) Except with respect to Cafes operated under valid Franchise Agreements with Franchisor, own, maintain, operate, engage in, be employed by, have any financial or beneficial interest in, advise, consult with, assist or make loans to, any business that is a Competing Business located within the United States, its territories or commonwealths, or any other country, province, state or geographic area in which Franchisor or an Affiliate of 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.

(c) Interfere with any relationship or contractual arrangement with any supplier or service provider to Franchisor, any Affiliate of Franchisor or any Cafe.

(2) With respect to Area Developer, and for a continuous uninterrupted period commencing upon the expiration, termination, or transfer of all of Area Developer's interest in, this Agreement (or with respect to each of the Principals, commencing upon the earlier of (i) the expiration, termination, or transfer of all of Area Developer'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 Area Developer nor any of the Principals shall, directly or indirectly, for themselves or through, on behalf of or in conjunction with any person, persons, partnership, limited liability company, corporation or other entity or association:

(a) Divert, or attempt to divert, any business or customer of the business described hereunder to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(b) Except with respect to Paris Baguette Cafes operated under valid Franchise Agreements with Franchisor, own, maintain, operate, engage in, be employed by, have any financial or beneficial interest in, advise, consult with, assist or make loans to, any Competing Business that is, or is intended to be, located (i) within the Development Area, or (ii) within a ten (10) mile radius of the location of any Paris Baguette Cafe (including any café bearing the Marks operated by Franchisor or any Affiliate of Franchisor) then in existence or under construction.

(c) Interfere with any relationship or contractual arrangement with any supplier or service provider to Franchisor, any Affiliate of Franchisor or any Cafe.

C. Non-Disparagement. Area Developer agrees not to take any action or make any statement the effect of which would be to directly or indirectly materially impair the goodwill or rights of Franchisor to its Intellectual Property or the goodwill of its Affiliates, or be materially detrimental to Franchisor, its Affiliates or franchisees and developers, including, but not limited to any action or statement intended, directly or indirectly, to benefit any of Franchisor's, its Affiliates' or franchisees' and developers' competitors. This provision survives forever.

D. Reasonable Restrictions. The parties acknowledge and agree that each of the covenants contained 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. Each such covenant shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 9 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an un-appealed final decision to which Franchisor is a party, Area Developer and the 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 9.

E. Reduction of Scope of Covenant. Area Developer and the Principals acknowledge that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Section 9 without their consent, effective immediately upon notice to Area Developer, and Area Developer and the Principals agree that they shall promptly comply with any covenant as so modified.

F. Enforcement. Area Developer and the Principals expressly agree that the existence of any claims they may have against Franchisor, whether arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section 9.

G. Execution of Covenants. Area Developer shall require and obtain the execution of covenants similar to those set forth in this Section 9 from all Principals. Such covenants shall be substantially in the form set forth in Attachment A.

H. Injunctive Relief. Area Developer and the Principals acknowledge that any failure to comply with the requirements of this Section 9 shall constitute a material breach of this Agreement. Area Developer and the Principals acknowledge that a violation of this Section 9 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and Area Developer and the Principals accordingly consent to the issuance of an injunction prohibiting any conduct by Area Developer or the Principals in violation of the terms of this Section 9, without the requirement that Franchisor post a bond or prove actual damages. Area Developer and the Principals agree to pay all court costs and reasonable attorneys' fees and costs incurred by Franchisor in connection with the enforcement of this Section 9, including payment of all costs and expenses for obtaining injunctive relief or any other remedy available to Franchisor for any violation of the requirements of this Section 9.

I. New Developments. If Area Developer, its employees, or Principals develop any new concept, process, product, recipe, method or improvement in the operation or promotion of the business contemplated by this Agreement or any Cafe developed pursuant to this Agreement, Area Developer shall promptly notify Franchisor and provide Franchisor with all necessary related information, without compensation. Any such concept, process, product, recipe, method or improvement shall become Franchisor's sole property and Franchisor shall be the sole owner of all patents, patent applications, and other intellectual property rights related thereto. Area Developer and its Principals hereby assign to Franchisor or its Affiliates any rights Area Developer and its Principals may have or acquire therein, including the right to modify such concept, process or improvement, and otherwise waive and/or release all rights of restraint and moral rights therein and thereto. Area Developer and its Principals agree to assist Franchisor or its Affiliates in obtaining and enforcing the intellectual property rights to any such concept, process or improvement in all countries and further agree to execute and provide Franchisor or its Affiliates with all necessary documentation for obtaining and enforcing such rights. Area Developer and its Principals hereby irrevocably designate and appoint Franchisor or its Affiliates as 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 concept, process or improvement. In the event that the foregoing provisions of this Section 9(I) are found to be invalid or otherwise unenforceable, Area Developer and its Principals hereby grant to Franchisor or its Affiliates a worldwide, perpetual, non-exclusive, fully-paid license to use and sublicense the use of the concept, process or

improvement to the extent such use or sublicense would, absent this Agreement, directly or indirectly infringe their rights therein.

J. Anti-Terrorism Laws. Area Developer certifies that neither Area Developer nor its owners, employees or anyone associated with Area Developer is listed in the Annex to Executive Order 13224, (The Annex is available at http://www.ustreas.gov/offices/enforcement/ofac/.) Area Developer agrees not to hire or have any dealings with a person listed in the Annex, Area Developer certifies that it has no knowledge or information that, if generally known, would result in Area Developer, its owners, employees, or anyone associated with Area Developer being listed in the Annex to Executive Order 13224. Area Developer agrees to comply with and/or assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with the Anti-Terrorism Laws (as defined below). In connection with such compliance, Area Developer certifies, represents, and warrants that none of its property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that Area Developer and its owners are not otherwise in violation of any of the Anti-Terrorism Laws. Area Developer is solely responsible for ascertaining what actions must be taken by Area Developer to comply with all such Anti-Terrorism Laws, and Area Developer specifically acknowledges and agrees that Area Developer's indemnification responsibilities as provided in Section 11 of this Agreement pertain to Area Developer's obligations under this Section 9(J). Any misrepresentation by Area Developer under this Section or any violation of the Anti-Terrorism Laws by Area Developer, its owners, or employees shall constitute grounds for immediate termination of this Agreement and any other agreement Area Developer or any Affiliate of Area Developer has entered into with Franchisor or one of Franchisor's Affiliates. As used herein, "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, Par515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local 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) addressing or in any way relating to terrorist acts and acts of war.

SECTION 10. INDEPENDENT CONTRACTOR

A. Independent Contractor Relationship. Area Developer 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 Area Developer no duties except as expressly provided in this Agreement. Area Developer shall be an independent contractor, and nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venture, partner, employee, joint employer or servant of the other for any purpose. During the term of this Agreement, Area Developer shall hold itself out to the public as an independent contractor conducting its operations pursuant to the rights granted by Franchisor.

B. No Authority. Nothing in this Agreement authorizes Area Developer 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 shall 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 Area Developer or any of the Principals or any claim or judgment arising therefrom.

SECTION 11. INDEMNIFICATION

A. Indemnity. Area Developer and each of the Principals shall, at all times, indemnify and hold harmless to the fullest extent permitted by law Franchisor, its Affiliates, successors and assigns, and the officers, directors, shareholders, partners, owners, members, agents, representatives, independent

contractors, servants and employees of each of them (collectively, the "Indemnitees") from all Losses and Expenses, defined below, incurred in connection with any action, suit, proceeding, claim, demand, investigation or inquiry (formal or informal), or any settlement thereof (whether or not a formal proceeding or action has been instituted) which arises out of or relates to this Agreement in any way, out of the Area Developer's or any of the Principal's operation of Area Developer's or any of its Affiliates' business under this Agreement or which arises out of or is based upon any of the following:

(1) The infringement, alleged infringement, or any other violation or alleged violation by Area Developer or any of the Principals of any patent, mark or copyright or other proprietary right owned or controlled by third parties or any misuse of the Marks in violation of this Agreement, any Franchise Agreement, or related agreement; provided, however, that, in the event an infringement claim is brought by a third party against Area Developer under the theory that the patents, marks, copyrights or other proprietary rights licensed under a Franchise Agreement by Franchisor to Area Developer violate the rights of such third party, then, to the extent and only to the extent of such third party claims of infringement (a "Franchisor IP Infringement Claim"), Franchisor shall indemnify and hold harmless Area Developer and each of the Principals from all Losses and Expenses incurred in connection with any action, suit, proceeding, claim, demand, inquiry, or investigation that solely arises out of or is solely based upon a Franchisor IP Infringement Claim provided Area Developer's or any of the Principals' use of the Marks has been consistent with the Franchise Agreement, the Manuals, and the Franchisor's System standards and Area Developer has timely notified Franchisor of, and complies with Franchisor's directions in responding to, the Franchisor IP Infringement Claim;

(2) The violation, breach or asserted violation or breach by Area Developer or any of the Principals of any federal, state or local law, regulation, ruling, standard or directive, or any industry standard;

(3) Libel, slander or any other form of defamation of Franchisor, the System, or any area developer or franchisee under the System, by Area Developer or by any of the Principals;

(4) The violation or breach by Area Developer or by any of the Principals of any warranty, representation, agreement, covenant, or obligation in its or their application to be granted the rights under this Agreement, in this Agreement or in any Franchise Agreement or other agreement between Area Developer or any of its Affiliates and Franchisor or any of its Affiliates; and

(5) Acts, errors or omissions of Area Developer, any of Area Developer's Affiliates, any of the Principals and the respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees of any of them in connection with the performance of the development activities contemplated under this Agreement or the establishment and operation of any Cafe pursuant to a Franchise Agreement.

B. Defense of Claim. Franchisor agrees to give Area Developer and each of the Principals reasonable notice of any such action, suit, proceeding, claim, demand, inquiry, or investigation. Area Developer also agrees to promptly notify Franchisor in the event it becomes aware of any third party or indemnifiable claim. At the full and complete expense and risk of Area Developer and each of the Principals (except in the case of a Franchisor IP Infringement Claim, in which case Franchisor shall bear the expense to the extent of defending the applicable and specific claims of infringement), Franchisor may elect to assume control of the defense (but under no circumstance is Franchisor obligated to so undertake, except in the case of a Franchisor IP Infringement Claim, in which case Franchisor shall be obligated to undertake the defense and/or settlement) and appoint counsel of its own choosing with respect to the defense and/or

settlement of any such action, suit, proceeding, claim, demand, inquiry or investigation in order to protect the interest of Indemnitees, the System and Franchisor and its Affiliates, provided that any settlement of the claim shall not be subject to Area Developer's consent, unless a settlement is in excess of $100,000, and in that event, Area Developer's consent may not be unreasonably withheld or delayed (except in the case of a Franchisor IP Infringement Claim, which Franchisor may settle without Area Developer's consent regardless of the amount in issue). Such an undertaking by Franchisor shall, in no manner or form, diminish the obligation of Area Developer and each of the Principals to indemnify the Indemnitees and to hold them harmless. To the extent Franchisor elects to have Area Developer provide a defense, in the settlement of any matter hereunder, in no event shall Area Developer be permitted to admit fault on behalf of any Indemnitees nor to agree to any provision that places any obligations or restrictions on any Indemnitees (including the payment of any money by and Indemnitee or on an Indemnitee's behalf) without the Indemnitee's express written consent.

C. Remedial Action. In order to protect persons or property or its reputation or goodwill, or the reputation or goodwill of others, Franchisor may, at any time and without notice, as it, in its judgment deems appropriate, consent or agree to settlements or take such other remedial or corrective action as it deems expedient with respect to the action, suit, proceeding, claim, demand, inquiry or investigation if, in Franchisor's sole judgment, there are reasonable grounds to believe that:

(1) any of the acts or circumstances enumerated in Section 11(A)(1)-(4) above has occurred; or

(2) any act, error or omission as described in Section 11(A)(5) may result directly or indirectly in damage, injury or harm to any person or any property.

D. Losses and Expenses.

(1) All Losses and Expenses incurred under this Section 11 shall be chargeable to and paid by Area Developer or any of the Principals, jointly and severally, pursuant to its obligations of indemnity under this Section, regardless of any action, activity or defense undertaken by Franchisor or the subsequent success or failure of such action, activity or defense (except in the case of a Franchisor IP Infringement Claim in which case the Losses and Expenses incurred solely due to a Franchisor IP Infringement Claim shall be paid by Franchisor).

(2) As used in this Section 11, the phrase "Losses and Expenses" shall include, without limitation, all losses, liabilities, compensatory, exemplary or punitive damages, fines, charges, costs, expenses, lost profits, reasonable attorneys' fees and costs, court costs, settlement amounts, judgments, compensation for damages to Franchisor's reputation and goodwill, costs of or resulting from delays, financing costs, costs of advertising material and media time/space and costs of changing, substituting or replacing the same, any and all expenses of recall, refunds, compensation and public notices and all other payments of money incurred in connection with the matters described.

E. Contributory Negligence. The Indemnitees do not assume any liability for acts, errors or omissions of those with whom Area Developer or the Principals may contract, regardless of the purpose. Area Developer and the Principals shall hold harmless and indemnify the Indemnitees as set forth herein without limitation and without regard to the cause or causes thereof or the negligence (whether such

negligence be gross, sole, joint or concurrent, or active or passive) or strict liability of Franchisor or any other party or parties arising in connection therewith, including, without limitation, the other Indemnitees.

F. No Duty to Mitigate; Survival of Obligations. Under no circumstances shall Franchisor be required or obligated to seek recovery from any insurer or other third party, or otherwise mitigate its losses to maintain a claim under the indemnity and against Area Developer, and the failure of Franchisor to pursue such recovery or mitigate such loss will in no way reduce the amounts recoverable by Franchisor from Area Developer. Area Developer and the Principals expressly agree that the terms of this Section 11 shall survive the termination, expiration or transfer of this Agreement or any interest herein.

SECTION 12. MISCELLANEOUS

A. Notices. Any and all notices required or permitted under this Agreement shall be in writing and shall be either personally delivered; sent by nationally recognized overnight courier (Ex: FedEx); sent by certified or registered mail, return receipt requested; or sent by email (provided that the sender also sends a copy by certified or registered mail or recognized overnight courier contemporaneously) to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party. Notwithstanding the foregoing, Area Developer's knowledge of a change in Franchisor's principal place of business or contact information shall be deemed adequate designation of a change and notice shall be sent to our new address.

Notices to Franchisor:
Paris Baguette Family Inc.
137 West Commercial Avenue, Moonachie, New Jersey 07074
Attention: Legal Department

and

Paris Baguette Family Inc.
137 West Commercial Avenue, Moonachie, New Jersey 07074
Attention: Chief Development Officer

Notices to Area Developer:
To the address set forth on Attachment F.

Any notice shall be deemed to have been given at the time of personal delivery or, in the case of email, upon confirmation of receipt (or confirmation of delivery via contemporaneous methods required above, whichever occurs first) or, in the case of overnight courier, on the next business day after mailing, or in the case of registered or certified mail, three (3) business days after the date and time of mailing.

B. Entire Agreement. This Agreement, the documents referred to herein and the Attachments hereto, constitute the entire, full and complete agreement between Franchisor and Area Developer and the Principals concerning the subject matter hereof and shall supersede all prior related agreements; provided, however, that nothing in this or any related agreement shall disclaim or require Area Developer to waive reliance on any representation that Franchisor made in the franchise disclosure document (including its exhibits and amendments) that Franchisor delivered to Area Developer or Area Developer's representative, subject to any agreed-upon changes to the contract terms and conditions described in that franchise disclosure document and reflected in this Agreement (including any riders or addenda signed at the time as this Agreement). Except for those permitted to be made unilaterally by Franchisor hereunder, no

amendment, change or variance from this Agreement shall 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 Area Developer or the Principals under this Agreement shall constitute a waiver by Franchisor to enforce any such right, option, duty or power against Area Developer or the Principals, or as to a subsequent breach or default by Area Developer or the Principals.

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

E. Force Majeure. Upon the occurrence of an event of Force Majeure, the party affected thereby shall 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 shall promptly undertake and maintain with due diligence. Such affected party shall be liable for failure to give timely notice only to the extent of damage caused. If an event of Force Majeure shall occur, then, Area Developer shall continue to be obligated to pay to Franchisor all amounts that it shall have duly become obligated to pay in accordance with the terms of this Agreement prior to the occurrence of such event and the Indemnitees shall continue to be indemnified and held harmless by Area Developer in accordance with Section 11. Except as provided herein, neither party shall be held liable for a failure to comply with any terms and conditions of this Agreement to the extent such failure is caused by an event of Force Majeure, provided however, in the event that any such delay extends any deadline to open or meet the Development Schedule in excess of ninety (90) days, Franchisor may, at its option, terminate this Agreement. Nothing herein shall extend the timing for the payment of fees owed by Area Developer to Franchisor nor excuse payment.

F. INTERNAL DISPUTE RESOLUTION AND MEDIATION.

(3) AREA DEVELOPER MUST FIRST BRING ANY CLAIM OR DISPUTE BETWEEN FRANCHISOR AND AREA DEVELOPER OR ANY OF THEIR RESPECTIVE AFFILIATES TO FRANCHISOR'S LEGAL DEPARTMENT BY WRITTEN NOTICE IN ACCORDANCE WITH SECTION 12(A) ABOVE. SUCH NOTICE WILL DESCRIBE AREA DEVELOPER'S CLAIM IN REASONABLE DETAIL. FRANCHISOR MUST RESPOND TO AREA DEVELOPER'S NOTICE INQUIRY WITHIN TEN (10) BUSINESS DAYS OF RECEIPT OR OTHERWISE IT IS DEEMED DENIED. IF FRANCHISOR REQUESTS, AREA DEVELOPER'S OPERATING PRINCIPAL SHALL MEET WITH FRANCHISOR TO ATTEMPT TO REACH RESOLUTION OF THE CLAIM. IF SUCH CLAIM IS NOT RESOLVED WITHIN THIRTY (30) DAYS OF SUCH MEETING, AREA DEVELOPER MAY MOVE THE CLAIM TO MEDIATION AS SET FORTH BELOW. AREA DEVELOPER MUST EXHAUST THIS INTERNAL DISPUTE RESOLUTION PROCEDURE BEFORE IT MAY BRING THE DISPUTE TO A THIRD PARTY. THIS AGREEMENT TO FIRST ATTEMPT RESOLUTION OF DISPUTES INTERNALLY WILL SURVIVE TERMINATION OR EXPIRATION OF THIS AGREEMENT.

(4) EXCEPT FOR ACTIONS WHICH THE FRANCHISOR MAY BRING IN ANY COURT OF COMPETENT JURISDICTION (i) FOR MONIES OWED, (ii) FOR INJUNCTIVE

OR OTHER EXTRAORDINARY RELIEF, OR (iii) INVOLVING THE POSSESSION OR DISPOSITION OF, OR OTHER RELIEF RELATING TO, REAL PROPERTY, THE MARKS OR THE CONFIDENTIAL INFORMATION, THE PARTIES AGREE TO SUBMIT ANY CLAIM, CONTROVERSY OR DISPUTE BETWEEN FRANCHISOR OR ANY OF ITS AFFILIATES (AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, REPRESENTATIVES AND/OR EMPLOYEES) AND AREA DEVELOPER (AND AREA DEVELOPER'S AGENTS, REPRESENTATIVES AND/OR EMPLOYEES, AS APPLICABLE) ARISING OUT OF OR RELATED TO (a) THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN FRANCHISOR AND AREA DEVELOPER OR THEIR RESPECTIVE AFFILIATES, (b) FRANCHISOR'S RELATIONSHIP WITH AREA DEVELOPER OR THEIR RESPECTIVE AFFILIATES, (c) THE VALIDITY OF THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN FRANCHISOR OR AREA DEVELOPER, OR (d) ANY SYSTEM STANDARD, TO MEDIATION PRIOR TO BRINGING SUCH CLAIM, CONTROVERSY OR DISPUTE IN A COURT OR BEFORE ANY OTHER TRIBUNAL, UNLESS PROHIBITED BY LAW. THE MEDIATION SHALL BE CONDUCTED BY EITHER AN INDIVIDUAL MEDIATOR OR A MEDIATOR APPOINTED BY A MEDIATION SERVICES ORGANIZATION OR BODY EXPERIENCED IN THE MEDIATION OF DISPUTES BETWEEN FRANCHISORS AND AREA DEVELOPERS, AS AGREED UPON BY THE PARTIES AND, FAILING SUCH AGREEMENT WITHIN A REASONABLE PERIOD OF TIME (NOT TO EXCEED FIFTEEN (15) DAYS) AFTER EITHER PARTY HAS NOTIFIED THE OTHER OF ITS DESIRE TO SEEK MEDIATION, BY THE AMERICAN ARBITRATION ASSOCIATION IN ACCORDANCE WITH ITS RULES GOVERNING MEDIATION. MEDIATION SHALL BE HELD WITHIN TWENTY (20) MILES OF FRANCHISOR'S THEN-CURRENT HEADQUARTERS. THE COSTS AND EXPENSES OF MEDIATION, INCLUDING THE COMPENSATION AND EXPENSES OF THE MEDIATOR (BUT EXCLUDING ATTORNEYS' FEES AND COSTS INCURRED BY EITHER PARTY), SHALL BE BORNE BY THE PARTIES EQUALLY. IF THE PARTIES ARE UNABLE TO RESOLVE THE CLAIM, CONTROVERSY OR DISPUTE WITHIN NINETY (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 ARBITRATION UNDER SECTION 12(G),

G. Arbitration. Except for the rights reserved by Franchisor, any disputes and claims relating to this Agreement which are unresolved using the internal dispute procedure or mediation set forth above involving the rights and obligations of the parties hereto, third party beneficiaries, and/or any guarantors and/or transferees of this Agreement, or any other claims or causes of action relating to the making, interpretation, or performance of either party under this Agreement, must be resolved by submission to binding arbitration by and before a neutral franchise attorney referred by the American Arbitration Association ("AAA"). All hearings and other proceedings will take place within twenty (20) miles of Franchisor's headquarters. Franchisor will notify Area Developer of its election to submit any dispute to arbitration (1) within thirty (30) days of receiving written notice of a dispute, claim, or alleged cause of action from Area Developer, or (2) within thirty (30) days of a non-binding mediation determination pursuant to Section 12(F)(2) above, or (3) at the time Franchisor provides Area Developer with notice of a dispute, claim, or alleged cause of action, as applicable.

(1) The AAA Commercial Arbitration Rules shall govern any dispute submitted to arbitration to the extent such rules are not inconsistent with the provisions of this arbitration provision. The parties shall select one arbitrator from the proposed list of arbitrators provided by AAA, as applicable. If the parties are unable to agree upon an arbitrator, each party to the dispute shall have fifteen (15) days from the transmittal date of the proposed list in which to strike names objected to, number the remaining names in order of preference, and return the list to AAA, as

applicable. If a party does not return the list within the time specified, all persons named therein shall be deemed acceptable. From among the persons who have been approved on both lists, and in accordance with the designated order of mutual preference, AAA as applicable shall invite the acceptance of an arbitrator to serve. If the parties fail to agree on any of the persons named, or if acceptable arbitrators are unable to act, or if for any other reason the appointment cannot be made from the submitted lists, the process of submitting lists shall continue until a suitable arbitrator is selected. Notwithstanding any choice of law or other provision herein, the parties agree and acknowledge that the Federal Arbitration Act shall govern the interpretation and enforcement and proceedings pursuant to this Agreement. To the extent state law is applicable under the Federal Arbitration Act, the law of the state of Delaware shall apply. The statute of limitations of the state of Delaware shall be strictly enforced. The arbitrator's award shall include an award of pre-hearing interest from the date upon which any damages were incurred, and from the date of the award until paid in full, at a rate to be fixed by the arbitrator, but in no event less than 1.5% per month, or part of a month (unless a lower rate is required by law). The prevailing party shall be entitled to recover from the non-prevailing party all costs of arbitration, including, without limitation, the arbitrator's fee, interest, and costs of investigation. In addition, the prevailing party shall be entitled to an award of its reasonable and necessary attorneys' fees. The arbitration hearings shall be completed within one hundred and fifty (150) days of the filing of the arbitration demand, unless the arbitrator, for good cause, must extend this deadline.

(2) The arbitrator shall have no authority to amend or modify the terms of the Agreement. To the extent permitted by applicable law, no issue of fact or law shall be given preclusive or collateral estoppel effect in any arbitration hereunder, except to the extent such issue may have been determined in another proceeding between the parties. Judgment upon the award of the arbitrator shall be submitted for confirmation to a United States District for the Eastern District of New York or any other court of general jurisdiction located in New York, New York and, if confirmed, may be subsequently entered and/or docketed, including as a judgment, in any court having competent jurisdiction. Similarly, any appeals from and/or relating to any arbitration which may be brought in accordance with this Section 12(G) shall be heard before a United States District Court for the Eastern District of New York, or any other court of general jurisdiction located in New York, New York.

(3) The arbitration provisions of this Agreement shall survive any termination or expiration of this Agreement.

H. JURISDICTION AND VENUE. FOR ANY CLAIMS, CONTROVERSIES OR DISPUTES WHICH MAY BE BROUGHT TO A COURT OF LAW AS PROVIDED IN THIS AGREEMENT, AREA DEVELOPER AND PRINCIPALS HEREBY IRREVOCABLY SUBMIT THEMSELVES TO THE JURISDICTION OF THE STATE AND FEDERAL DISTRICT COURTS LOCATED IN NEW YORK, NEW YORK. AREA DEVELOPER AND PRINCIPALS HEREBY WAIVE ALL QUESTIONS OF PERSONAL JURISDICTION FOR THE PURPOSE OF CARRYING OUT THIS PROVISION AND AGREE THAT SERVICE OF PROCESS MAY BE MADE UPON ANY OF THEM IN ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP CREATED HEREBY BY ANY MEANS ALLOWED BY DELAWARE OR FEDERAL LAW. AREA DEVELOPER AND THE PRINCIPALS FURTHER AGREE THAT VENUE FOR ANY SUCH PROCEEDING SHALL BE LOCATED IN NEW YORK, NEW YORK; PROVIDED, THAT FRANCHISOR MAY BRING ANY ACTION (1) FOR MONIES OWED, (2) FOR INJUNCTIVE OR OTHER EXTRAORDINARY RELIEF OR (3) INVOLVING POSSESSION OR DISPOSITION OF, OR

OTHER RELIEF RELATING TO, REAL PROPERTY, THE MARKS, OR THE CONFIDENTIAL INFORMATION, IN ANY STATE OR FEDERAL DISTRICT COURT WHICH HAS JURISDICTION.

I. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND INTERPRETED AND CONSTRUED UNDER DELAWARE LAW (EXCEPT FOR DELAWARE CONFLICT OF LAW RULES).

J. DAMAGES WAIVER. AREA DEVELOPER AND THE PRINCIPALS HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO ANY PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR OTHER SIMILAR DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS) AGAINST FRANCHISOR, ITS AFFILIATES, AND ITS PREDECESSORS OR SUCCESSORS) THE OFFICERS, DIRECTORS, SHAREHOLDERS, PARTNERS, MEMBERS, AGENTS, REPRESENTATIVES, INDEPENDENT CONTRACTORS AND EMPLOYEES OF EACH OF THEM, IN THEIR CORPORATE AND INDIVIDUAL CAPACITIES, ARISING OUT OF ANY CAUSE WHATSOEVER (WHETHER SUCH CAUSE BE BASED IN CONTRACT, NEGLIGENCE, STRICT LIABILITY, OTHER TORT OR OTHERWISE) AND AGREE THAT IN THE EVENT OF A DISPUTE, AREA DEVELOPER AND THE PRINCIPALS SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY THEM. IF ANY OTHER TERM OF THIS AGREEMENT IS FOUND OR DETERMINED TO BE UNCONSCIONABLE OR UNENFORCEABLE FOR ANY REASON, THE FOREGOING PROVISIONS OF WAIVER BY AGREEMENT OF PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR OTHER SIMILAR DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS) SHALL CONTINUE IN FULL FORCE AND EFFECT.

K. JURY WAIVER. IN ANY LITIGATION BETWEEN THE PARTIES FOUNDED UPON OR ARISING FROM THIS AGREEMENT, THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL, AND THE PARTIES HEREBY STIPULATE THAT ANY SUCH TRIAL SHALL OCCUR WITHOUT A JURY.

L. WAIVER OF CLASS ACTIONS. EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES THE RIGHT TO LITIGATE OR ARBITRATE ON A CLASS ACTION BASIS, IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY.

M. BUSINESS JUDGMENT. AREA DEVELOPER, THE PRINCIPALS AND FRANCHISOR ACKNOWLEDGE THAT VARIOUS PROVISIONS OF THIS AGREEMENT SPECIFY CERTAIN MATTERS THAT ARE WITHIN THE DISCRETION OR JUDGMENT OF FRANCHISOR OR ARE OTHERWISE TO BE DETERMINED UNILATERALLY BY FRANCHISOR. IF THE EXERCISE OF FRANCHISOR'S DISCRETION OR JUDGMENT AS TO ANY SUCH MATTER IS SUBSEQUENTLY CHALLENGED, THE PARTIES TO THIS AGREEMENT EXPRESSLY DIRECT THE TRIER OF FACT THAT FRANCHISOR'S RELIANCE ON A BUSINESS REASON IN THE EXERCISE OF ITS DISCRETION OR JUDGMENT IS TO BE VIEWED AS A REASONABLE AND PROPER EXERCISE OF SUCH DISCRETION OR JUDGMENT, WITHOUT REGARD TO WHETHER OTHER REASONS FOR ITS DECISION MAY EXIST AND WITHOUT REGARD TO WHETHER THE TRIER OF FACT WOULD INDEPENDENTLY ACCORD THE SAME WEIGHT TO THE BUSINESS REASON.

N. LIMITATION OF CLAIMS. EXCEPT FOR CLAIMS BROUGHT BY FRANCHISOR WITH REGARD TO (1) ANY MISREPRESENTATION OR OMISSION MADE BY AREA DEVELOPER OR ITS PRINCIPALS UNDER THIS AGREEMENT OR IN ANY APPLICATION THEREFOR, (2) AREA DEVELOPER'S OBLIGATIONS TO PROTECT FRANCHISOR'S

CONFIDENTIAL INFORMATION AND MARKS AND OBLIGATION OF NON-COMPETITION, OR (3) AREA DEVELOPER'S OBLIGATIONS TO INDEMNIFY AN INDEMNITEE PURSUANT TO SECTION 11, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE RELATIONSHIP OF AREA DEVELOPER AND FRANCHISOR 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 AREA DEVELOPER OR FRANCHISOR KNEW OR SHOULD HAVE KNOWN, IN THE EXERCISE OF REASONABLE DILIGENCE, OF THE FACTS GIVING RISE TO SUCH CLAIMS, WHICHEVER OCCURS FIRST.

O. Counterpart Execution. This Agreement may be signed in counterparts, each of which when taken together shall form one valid and effective agreement which may be electronically signed, and any digital or electronic signatures (including pdf or electronically imaged signatures provided by DocuSign or any other nationally recognized digital signature provider) will be treated the same as handwritten signatures for the purposes of validity, enforceability and admissibility, and delivery of any such electronic signature, or a signed copy of this Agreement, may be made by email or other electronic transmission.

P. Headings. The captions used in connection with the sections and subsections of this Agreement are inserted only for purpose of reference. Such captions shall 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 shall such captions otherwise be given any legal effect.

Q. Survival. Any obligation of Area Developer or the Principals that contemplates performance of such obligation after termination or expiration of this Agreement or the transfer of any interest of Area Developer or the Principals therein, shall be deemed to survive such termination, expiration or transfer. Without limitation of the foregoing, the provisions of Sections 12(F), (G) and (H) 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.

R. Severability. Except as expressly provided to the contrary herein, each portion, section, part, term and provision of this Agreement shall 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 shall 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 shall continue to be given full force and effect and bind the parties; the invalid portions, sections, parts, terms or provisions shall be deemed not to be part of this Agreement; and there shall be automatically added such portion, section, part, term or provision as similar as possible to that which was severed which shall be valid and not contrary to or in conflict with any law or regulation.

S. Gender. All references to the masculine, neuter or singular shall 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 Area Developer in this Agreement shall be deemed, jointly and severally, undertaken by all of the Principals.

T. Remedies Cumulative. All rights and remedies of the parties to this Agreement shall 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 Area Developer or any of its Affiliates and Franchisor or any of its Affiliates. The rights

and remedies of the parties to this Agreement shall be continuing and shall 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 7 of this Agreement shall not discharge or release Area Developer 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, Area Developer and the Principals shall 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.

U. No Third Party Beneficiary. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Area Developer, Franchisor, and Franchisor's, officers, directors and personnel, Indemnitees and such of Area Developer's and Franchisor's respective successors and assigns as may be contemplated (and, as to Area Developer, authorized by Section 8), any rights or remedies under or as a result of this Agreement.

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

W. Agreement Effective Upon Execution by Franchisor. This Agreement shall 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 as of the date indicated below.

FRANCHISOR:

Paris Baguette Family Inc., a Delaware corporation

By: _____

Name: _____

Title: _____

Date: _____

AREA DEVELOPER:

By: _____

Name: _____

Title: _____

Date: _____

ATTACHMENT A

GUARANTY AND ASSUMPTION AGREEMENT

The undersigned persons designated as "Principals" hereby represent to Paris Baguette Family Inc. ("Franchisor") that they are all of the shareholders of, or all of the general partners of, all of the members and managers of, _____ ("Area Developer"), as the case may be. Each such Principal also represents that his or her spouse is also listed herein as a "Spousal Guarantor". In consideration of the grant by Franchisor to Area Developer, as provided under the area development agreement dated _____, (the "Agreement"), each of the undersigned agrees, in consideration of benefits received and to be received by each of them, jointly and severally, and for themselves, their heirs, legal representatives and assigns that they, and each of them, shall be firmly bound by all of the terms, provisions and conditions of the foregoing Agreement, that they and each of them do unconditionally guarantee the full and timely performance by Area Developer of each and every obligation of Area Developer under the Agreement, including, without limitation, any indebtedness of Area Developer arising under or by virtue of the Agreement to Franchisor and/or its affiliates, and that they and each of them shall not permit or cause any change in the percentage of Area Developer owned, directly or indirectly, by any person, without first notifying Franchisor of said proposed transfer and obtaining the prior written consent of Franchisor, following Franchisor's transfer procedures and without first paying or causing to be paid to Franchisor any required transfer fee. The undersigned further agree to be bound by the in-term and post-termination covenants of the Agreement including, without limitation, those relating to confidentiality and non-competition. The undersigned also agree that the governing law and methods for resolution of disputes which govern this Guaranty shall be the same as those outlined in the Agreement.

EACH GUARANTOR ACKNOWLEDGES THAT HE OR SHE HAS READ THIS PERSONAL GUARANTY, UNDERSTANDS ITS TERMS, AND GUARANTOR WOULD NOT SIGN THIS PERSONAL GUARANTY IF GUARANTOR DID NOT UNDERSTAND AND AGREE TO BE BOUND BY ITS TERMS.

Undersigned:

Principals:	Spousal Guarantors:
_____	_____
Print Name:	Print Name:
Address:_____	Address: _____
Dated: _____	Dated:_____
_____	_____
Print Name:	Print Name:
Address: _____	Address: _____
Dated: _____	Dated:_____

ATTACHMENT B

CONFIDENTIALITY AGREEMENT

(For employees of Area Developer)

1. Pursuant to an Area Development Agreement dated _____ (the "Area Development Agreement"), _____ (the "Area Developer") has acquired the right and franchise from Paris Baguette Family Inc (the "Company") to develop Paris Baguette Cafes (the "Franchised Business").

2. The Company, as the result of the expenditure of time, skill, effort and resources, has developed and owns a distinctive format and system (the "System") relating to the establishment and operation of Paris Baguette Cafés a variety of French-inspired high-quality breads, pastries, cakes, and other artfully-displayed desserts, along with handcrafted sandwiches, soups, salads, hot and cold beverages, and other products. The Company possesses certain proprietary and confidential information relating to the operation of the System, which includes but is not limited to, proprietary trade secrets, recipes, specifications, security protocols, computer hardware and systems, technology and equipment used, methods of business practices and management, research and development, training processes, operational manuals, presentation materials, vendor agreements, supplier lists, vendor lists, marketing and merchandising strategies, plans for new product or service offerings, and knowledge of, and experience in, the operation of the Franchised Business (the "Confidential Information"). Confidential Information shall also expressly include all customer and franchisee personal and business information that I obtain or have access to during my employment, as well as the confidential information of any other third parties to whom the Company owes a duty of confidentiality. Further, any and all information, knowledge, know-how, and techniques which the Company specifically designates as confidential shall be deemed to be Confidential Information for purposes of this Agreement.

3. In consideration for my access to the Confidential Information as part of my employment with Area Developer, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree to the terms of this Confidentiality (the "Agreement").

4. As an employee of Area Developer, the Company and/or Area Developer may disclose the Confidential Information to me via training programs, the Company's Confidential Operations Manuals (the "Manuals"), or otherwise during the term of my employment with the Area Developer.

5. I will not acquire any interest in the Confidential Information, other than the right to utilize it in performing my duties for Area Developer during the term of my employment and the use or duplication of the Confidential Information for any use outside the System is strictly prohibited. I covenant that I will not forward, disclose or provide the Confidential Information to any third party, nor store it on any personal or third-party electronic device, disk, drive, or otherwise, unless expressly authorized to do so by the Company.

6. Any work performed by me during my employment with Area Developer in relation to Paris Baguette or the Area Development Agreement and any derivative works created by me using the Confidential Information or any proprietary information of the Company are considered "works made for hire" and I will have no ownership interest in the items created.

7. The Confidential Information is proprietary, involves trade secrets of the Company, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information. Unless the Company otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties as an employee of Area Developer, and will

continue not to disclose or use any such information even after I cease to be employed by Area Developer, unless I can demonstrate that such information has become generally known to the public other than by the breach of an obligation of Area Developer under the Area Development Agreement, a breach of the employees or associates of Area Developer, or a breach of my own duties or the duties hereunder.

8. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. In the event any provision of this Agreement is ever deemed to exceed the limits permitted by any applicable law, the provisions set forth herein will be reformed to the extent necessary to make them reasonable and enforceable. The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of the remaining provisions, all of which are severable and will be given full force and effect.

9. I understand and acknowledge that the Company shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof; and I agree to comply forthwith with any covenant as so modified.

10. The Company is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with Area Developer. I am aware that my violation of this Agreement may cause the Company and Area Developer irreparable harm; therefore, I acknowledge and agree that Area Developer and/or the Company may apply for the issuance of an injunction preventing me from violating this Agreement, without the necessity of proving actual damages or posting a bond, in addition to any other remedies available to them, and I agree to pay Area Developer and the Company all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to Area Developer and the Company, any claim I have against Area Developer or the Company is a separate matter and does not entitle me to violate, or justify any violation of this Agreement.

11. This is not a contract for employment and does not guaranty my employment for any set period of time. I agree and understand that Area Developer is my employer and I have no employment relationship with the Company.

12. Except for an action seeking injunctive or other equitable relief all claims, disputes or controversies that may arise concerning this Agreement, or the construction, performance, or breach of this Agreement, whether based on contract, tort, statute or any other theory, will be submitted to and adjudicated, determined and resolved through compulsory, binding arbitration, unless prohibited by law. Matters shall be decided on an individual basis, and not on a class-wide or multiple plaintiff basis or in an action where any party hereto acts in a representative capacity, unless prohibited by law. The parties hereby irrevocably and unconditionally submit to the exclusive jurisdiction of the American Arbitration Association ("AAA") for any action or proceeding arising out of or relating to this Agreement, which will be governed in accordance with its Employment Arbitration Rules, to the extent such rules are not inconsistent with the provisions of this arbitration provision and unless otherwise mutually agreed by the parties or prohibited by law. The parties agree that any such arbitration will be final and binding and in agreeing to arbitration, the parties understand that they are waiving their respective rights to seek remedies in court, including the right to a jury trial. In any arbitration, each party is solely responsible for payment of the fees and expenses of his, her or its counsel fees, and each party shall pay their required share of arbitration costs. Notwithstanding any choice of law or other provision herein, the parties agree and acknowledge that the Federal Arbitration Act shall govern the interpretation and enforcement of this provision and the proceedings hereunder. To the extent state law is applicable under the Federal Arbitration Act, the laws of the state of Delaware shall apply. The statute of limitations of the state of Delaware shall be strictly enforced. The arbitration shall be conducted in New York, New York by one (1) arbitrator.

13. In the event any action for equitable relief, injunctive relief or specific performance is filed, or should any action be filed to confirm, modify or vacate any award rendered through compulsory binding arbitration, or otherwise, I hereby irrevocably agree that the forum for any such suit will lie with a court of competent jurisdiction in New York, New York and hereby agree to the personal jurisdiction and venue of such court.

14. This Agreement will be binding upon me, my heirs, and personal representatives, and shall inure to the benefit of Company and Area Developer and any of their affiliates, parents, subsidiaries, successors and assigns. I understand that this Agreement may and will be assigned or transferred to any successor of the Company, and any successor will be deemed substituted, for all purposes, as the "Company" under the terms of this Agreement. As used in this Agreement the term "successor" will mean any person, firm, corporation, or business entity which at any time, whether by merger, purchase or otherwise, acquires all or substantially all of the assets of the business of the Company. I acknowledge that the services to be rendered by me in my employment are unique and personal. Accordingly, I may not assign any of my rights nor delegate any of my duties or obligations under this Agreement.

15. This Agreement may not be modified except by a written agreement executed by the Parties, which has been approved by the Company.

16. This Agreement may be signed in counterparts, each of which when taken together shall form one valid and effective agreement which may be electronically signed, and any digital or electronic signatures (including pdf or electronically imaged signatures provided by DocuSign or any other nationally recognized digital signature provider) will be treated the same as handwritten signatures for the purposes of validity, enforceability and admissibility, and delivery of any such electronic signature, or a signed copy of this Agreement, may be made by email or other electronic transmission.

_____
Name:
Dated:_____

AREA DEVELOPER

By:_____
Name:
Title:
Dated: _____

ATTACHMENT C

FRANCHISE AGREEMENT

(See Exhibit C of Franchise Disclosure Document)

ATTACHMENT D

STATEMENT OF OWNERSHIP INTERESTS AND AREA DEVELOPER'S PRINCIPALS

1. **Form of Owner**. (Choose (a) or (b))

(a) **Individual Proprietorship**. List individual(s):

_____

_____

(b) **Corporation, Limited Liability Company, or Partnership:**

Name: _____
Date of incorporation or formation: _____
State of incorporation of formation: _____

The following is a list of your directors/managers/officers, as applicable, and officers as of the date of execution:

Name of Each Director/Manager/Officer	Position(s) Held

2. **Principals**. The following list includes the full name of each person or entity who is one of your owners and fully describes the nature of each owner's interest (attach additional pages if necessary).

	Principal's Name	Percentage/Description of Interest
(a)		
(b)		
(c)		
(d)		

3. **Identification of Operating Principal**. Your Operating Principal is _____ _____(must be one of the individuals listed in paragraph 2 above. You may not change

the Operating Principal without prior written approval. The Operating Principal is the person authorized to receive communications regarding this Agreement).

Address: _____

_____

E-mail Address: _____

AREA DEVELOPER

By: _____
Name:
Title:

Dated: _____

PARIS BAGUETTE FAMILY INC.

By: _____
Name:
Title:

Dated: _____

ATTACHMENT E

DESCRIPTION OF DEVELOPMENT AREA

The Development Area (see Section 1(A)) will be as follows:

ATTACHMENT F

DEVELOPMENT SCHEDULE, NOTICES AND DEVELOPMENT FEE

Number of Cafes Granted for Development:	
Area Development Fee (Section 2(A)):	$20,000 x Number of Cafes Granted for Development = $
Notice to Area Developer and the Principals (Section 12(A)):	
	Attention:
	Telephone:
	Email:

Cafe	**Initial Franchise Fee Balance Due (so long as no defaults occur)**
1	
2	
3	
4	

Cafe	**Deadline for Opening**	**Cumulative Total Number of Cafes Located in the Development Area Which You Must Have Open and in Operation by the Deadline for Opening Date**
1		
2		
3		
4		

ATTACHMENT G

COLLATERAL ASSIGNMENT AND LEASE ADDENDUM TERMS

COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, the undersigned ("Assignor") assigns and transfers to Paris Baguette Family Inc., a Delaware corporation company ("Assignee"), all of Assignor's right, title and interest as tenant in, to and under that certain lease, a copy of which is attached hereto as Exhibit "A" (the "Lease") respecting premises commonly known as (the "Premises"). This Assignment is for collateral purposes only and except as specified in this Agreement, Assignee shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment or the Lease unless Assignee takes possession of the Premises demised by the Lease pursuant to the terms hereof and assumes the obligations of Assignor thereunder.

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

Upon a default by Assignor under the Lease or under the franchise agreement between Assignee and Assignor for the operation of a Paris Baguette café (the "Franchise Agreement"), or in the event of a default by Assignor under any document or instrument securing the Franchise Agreement, Assignee shall have the right and is hereby empowered to take possession of the Premises demised by the Lease, expel Assignor there from, and, in such event, Assignor shall have no further right, title or interest in the Lease.

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

ASSIGNOR:

By: _____

Title:_____

ASSIGNEE:

PARIS BAGUETTE FAMILY INC.

By: _____

Title:_____

LEASE ADDENDUM

CONSENT AND AGREEMENT OF LESSOR

The undersigned Lessor under the aforedescribed Lease hereby:

(a) Agrees to notify Assignee in writing of and upon the failure of Assignor to cure any default by Assignor under the Lease;

(b) Agrees that Assignee shall have the right, but shall not be obligated, to cure any default by Assignor under the Lease within fifteen (15) days after delivery by Lessor of notice thereof in accordance with Section (a) above;

(c) Agrees that Assignee shall have the right to undertake to perform the terms, covenants, obligations and conditions of the Lease on behalf of the Tenant (notwithstanding any removal or eviction of Tenant) for a period not to exceed six (6) months from the first (1st) date of any cure by Franchisor;

(d) Agrees that at any time within or at the conclusion of such six (6) month period set forth in Section (c) above, Assignee may 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, Lessor and Assignee shall enter into an agreement to document such assumption. Assignee is not a party to the Lease and shall have no liability under the Lease unless and until said Lease is assigned to, and assumed by, Assignee as herein provided.

(e) Agrees that Assignee may further assign the Lease to another Paris Baguette cafe franchisee. Lessor shall permit the assignment of the Lease to said franchisee without the payment of any fee or other cost requirement, provided that said franchisee meets Lessor's reasonable financial qualifications. Lessor shall not unreasonably withhold consent to such assignment. Thereafter, Assignee shall 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.

(f) On termination or expiration of the Franchise Agreement or the Lease, Assignee shall have the right to re-enter the Premises and make all necessary modifications or alterations to the Premises including the removal of all articles which display Assignee's Proprietary Marks. Assignee's re-entry shall not be deemed as trespassing.

DATED: _____

LESSOR:

_____

ASSIGNEE:

PARIS BAGUETTE FAMILY INC.

By: _____

Title: _____

ATTACHMENT H

FORM OF GENERAL RELEASE

This Termination Agreement and General Release (the "Agreement") is made as of _____ ("Effective Date") by and between _____ ("Developer) and Paris Baguette Family Inc., a Delaware corporation (the "Franchisor") (Franchisor together with Developer, the "Parties").

WHEREAS, Franchisor and Franchisee entered into an area development agreement dated _____ (the "Development Agreement") which provides Franchisee with the right to develop franchised businesses pursuant to a Development Schedule as outlined on Attachment F to the Development Agreement (the "Franchised Business");

WHEREAS, Developer and Franchisor agree to terminate the Development Agreement.

NOW, THEREFORE, wherein the parties hereto, in exchange for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, and in reliance upon the representations, warranties, and comments herein set forth, do agree as follows:

1. Developer acknowledges and agrees that by entering into this Agreement, all of Developer's rights under the Development Agreement are terminated as of the Effective Date, however, Developer shall continue to be bound by the post-termination restrictions and covenants contained in the Development Agreement and any schedules attached thereto, which include, but are not limited to, covenants relating to Franchisor's confidential information and intellectual property, a covenant not to compete, and a covenant of indemnification. Further, Franchisee shall honor all obligations required upon termination, including those listed in Section 7F of the Development Agreement.

2. Developer on his/her/its own behalf and on behalf of his/her/its servants, employees, heirs, successors and assigns does hereby release Franchisor, its officers, directors, shareholders, agents, parents, affiliates, subsidiaries, servants, employees, franchisees, partners, members, heirs, successors, principals and assigns ("Franchisor Released Parties"), from any and all claims, demands, causes of action, suits, debts, dues, duties, sums of money, accounts, reckonings, judgments, liabilities and obligations, both fixed and contingent, known and unknown, in law or in equity, under local law, state or federal law or regulation, from the beginning of time to the Effective Date, arising under or in connection with the Development Agreement or the business operated pursuant to the Development Agreement. Without limiting the generality of the foregoing, but by way of example only, the release shall apply to any and all state and federal antitrust, securities, breach of contract, fiduciary duty, or fraud claims and causes of action arising under or in connection with the Development Agreement to the extent permitted by law.

3. Developer has either been advised by independent counsel before signing this or, acknowledging the need for independent counsel, knowingly waives any such review and advice.

4. The governing law, methods of dispute resolution and any right to recovery of attorney's fees outlined in the Development Agreement shall apply to this Agreement as well.

5. This Agreement and the other documents referred to herein contain the entire agreement between the parties hereto pertaining to the subject matter hereof and supersede all prior agreements, except those contemplated hereunder. Any waiver, alteration or modification of any of the provisions of this Agreement

or cancellation or replacement of this Agreement shall not be valid unless in writing and signed by the parties.

6. This Agreement shall be binding upon Developer and Developer's heirs and personal representatives and shall inure to the benefit of Franchisor and its respective successors and assigns. Developer may not assign this Agreement or any of the rights or obligations hereunder, without the express written consent of Franchisor.

7. Any waiver of any term of this Agreement by Franchisor will not operate as a waiver of any other term of this Agreement nor will any failure to enforce any provision of this Agreement operate as a waiver of Franchisor's right to enforce any other provision of this Agreement.

8. In the event any provision of this Agreement is ever deemed to exceed the limits permitted by any applicable law, the provisions set forth herein will be reformed to the extent necessary to make them reasonable and enforceable. The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of the remaining provisions, all of which are severable and will be given full force and effect.

9. This Agreement may be signed in counterparts, each of which when taken together shall form one valid and effective agreement which may be electronically signed, and any digital or electronic signatures (including pdf or electronically imaged signatures provided by DocuSign or any other nationally recognized digital signature provider) will be treated the same as handwritten signatures for the purposes of validity, enforceability and admissibility, and delivery of any such electronic signature, or a signed copy of this Agreement, may be made by email or other electronic transmission.

10. Developer must maintain the confidentiality of this Agreement and shall not disclose the terms of this Agreement to any person or persons, except (a) professional advisors for legitimate business purposes or as required by law, or (b) as otherwise permitted in writing by Franchisor, or (c) as reasonably necessary for enforcement of any rights and remedies pursuant to this Agreement. Nothing in this Agreement will prohibit Developer, when required pursuant to a lawfully issued subpoena or discovery request or demand from government or police agency, from complying with the requirements of law with such subpoena, discovery, demand or request; provided, however, that Developer will, unless restricted from doing so by the terms of the subpoena or other circumstances or requested not to do so by the government or police agency (for example a gag order or law or rule that prohibits Developer from acting) provide Franchisor written notice, with time to seek relief if it wishes from disclosure pursuant to the subpoena, within one week of receipt of the subpoena.

11. Non-disparagement. Developer expressly covenants and agrees not to make any false representation of facts, or to defame, disparage, discredit, or deprecate any of the Franchisor Released Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Franchisor Released Parties, their business, or their reputation.

For the State of Washington: The general release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above. This Agreement shall not be deemed effective until signed by both Parties.

FRANCHISOR

By:_____

Name:
Title:

DEVELOPER

By:_____
Name:
Title

Exhibit C

FRANCHISE AGREEMENT

Paris Baguette Family, Inc.

PARIS BAGUETTE FAMILY INC. FRANCHISE AGREEMENT

TABLE OF CONTENTS

Page

SECTION 1. DEFINITIONS AND GRANT 1
A. Definitions 1
B. Grant of Rights 4
C. Protected Area 4
D. Reserved Rights 4

SECTION 2. LOCATION, CONSTRUCTION AND OPENING DATE 5
A. Location 5
B. Relocation 5
C. Licenses; Permits 6
D. Construction and Finish Out 6
E. Opening Date 7

SECTION 3. TERM AND RENEWAL 8
A. Term 8
B. Renewal 8

SECTION 4. FEES 9
A. Initial Franchise Fee 9
B. Royalty Fee/Gross Sales Report 9
C. Past Due Amounts; Acceptance and Application of Payments 9
D. Software and Technology Fees 10
E. Other Fees and Payments 10
F. Electronic Funds Transfer 10

SECTION 5. FRANCHISOR'S OBLIGATIONS 11
A. Manuals 11
B. Software Programs 11
C. Inspections 11
D. Marketing 11
E. Operational Advice 11
F. Collateral Merchandise 11
G. Approved Suppliers 11
H. Training 11
I. Pre-Opening and Opening Assistance 11
J. Remedial Training 12

SECTION 6. FRANCHISEE'S AGREEMENTS, REPRESENTATIONS, WARRANTIES AND COVENANTS 12
A. Continuing Obligations 12
B. Organization 12
C. Ownership 13
D. Financial Matters 13
E. Operating Principal; Cafe Manager 14
F. Training 14
G. Conference 15
H. Legal Compliance 15
I. Powers of Attorney 16
J. No Competing Interests 16

K. Anti-Terrorism Laws 16

SECTION 7. CAFE OPERATIONS 16
A. Standards Compliance 16
B. Maintenance of Paris Baguette Cafe 17
C. Upgrade of Cafe 17
D. Sourcing 17
E. Operational Requirements 18
F. Pricing 20
G. Computer Systems 20
H. Internet Website 20
I. Social Media 20
J. Customer Complaints 21
K. Personnel Development 21

SECTION 8. MARKETING AND RELATED FEES 21
A. Promotional Programs 21
B. Marketing Expenditures 21
C. Local Marketing Requirement 22
D. Cooperatives 22
E. Marketing Fund 22
F. Grand Opening 23
G. Marketing Approvals 24
H. Marketing Tests and Surveys 24
I. Advisory Council 24

SECTION 9. MARKS 24
A. Right to Use the Marks 24
B. Agreements Regarding the Marks 24
C. Use of the Marks 25
D. Infringement 25
E. Domain Names 26

SECTION 10. CONFIDENTIALITY AND NON-COMPETITION COVENANTS 26
A. Manuals 26
B. Confidentiality 26
C. Non-competition Covenants 26
D. Non-Disparagement 28
E. Injunctive Relief 28
F. New Developments 28

SECTION 11. BOOKS AND RECORDS 29
A. Maintenance Requirement 29
B. Reporting 29
C. Audits 29
D. No Waiver 29
E. Authorization to Release Information 30

SECTION 12. INSURANCE 30
A. Insurance Coverage Requirements 30
B. Deductibles; Waiver of Subrogation 31
C. Builder's Risk Insurance 31
D. No Limitation of Other Obligations 31
E. Additional Insured Designation 31

F. Certificates of Insurance 31
G. Remedies 32

SECTION 13. DEBTS AND TAXES 32
A. Payment of Taxes and Other Obligations 32
B. No Deduction 32
C. Disputed Liability 32
D. Credit Standing 32
E. Notice of Adverse Orders 32

SECTION 14. TRANSFER 32
A. By Franchisor 32
B. By Franchisee and Principals 33
C. Transfer for Convenience of Ownership 34
D. Right of First Refusal 34
E. Death or Permanent Disability 35
F. Securities Offerings 36
G. No Waiver 36

SECTION 15. INDEMNIFICATION 36
A. Indemnity 36
B. Defense of Claim 37
C. Remedial Action 37
D. Losses and Expenses 38
E. Contributory Negligence 38
F. No Duty to Mitigate; Survival of Obligations 38

SECTION 16. RELATIONSHIP OF THE PARTIES 38
A. Independent Contractor Relationship 38
B. No Authority 38

SECTION 17. TERMINATION 39
A. Default and Termination 39
B. Automatic Termination 39
C. Termination on Notice; No Cure 39
D. Termination on Notice; Opportunity to Cure 40
E. Rights upon Default 41
F. Termination By Franchisee 42

SECTION 18. POST-TERMINATION 42
A. Franchisee's Obligations Upon Termination 42
B. Additional Franchisor Options 43
C. Assignment of Franchisor Rights 44
D. Liquidated Damages 44

SECTION 19. MISCELLANEOUS 44
A. Notices 44
B. Entire Agreement 45
C. No Waiver 45
D. Approval or Consent 45
E. Force Majeure 46
F. Severability 46
G. Internal Dispute Resolution and Mediation 46
H. Arbitration 47

I. Jurisdiction and Venue 48
J. Injunctive Relief 48
K. Waiver of Class Actions 48
L. GOVERNING LAW 48
M. Mutual Acknowledgments 48
N. Damages Waiver 49
O. JURY WAIVER 49
P. BUSINESS JUDGMENT 49
Q. LIMITATIONS OF CLAIMS 49
R. Counterpart Execution 50
S. Headings 50
T. Survival 50
U. Gender 50
V. Remedies Cumulative 50
W. No Third Party 50
X. Further Assurances 51
Y. Agreement Effective Upon Execution by Franchisor 51

A. Definitions 1
B. Gender 50
C. Remedies Cumulative 50
D. No Third Party Beneficiary 50
E. Further Assurances 51
F. Agreement Effective Upon Execution by Franchisor 51

ATTACHMENTS

Attachment A: Guaranty and Assumption Agreement
Attachment B: Confidentiality Agreement
Attachment C: Selected Terms: Location, Protected Area, and Opening Date
Attachment D: Statement of Ownership Interests and Franchisee's Principals
Attachment E: Electronic Funds Transfer Authorization
Attachment F: Site Selection and Acquisition Addendum
Attachment G: Collateral Assignment and Lease Addendum Terms
Attachment H: Telephone, Internet Websites and Listing Agreement
Attachment I: General Form of Release
Attachment J: Consent to Transfer
Attachment K: Assignment and Assumption Agreement

PARIS BAGUETTE FAMILY INC. FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "Agreement") is made and entered into on _____ by and between Paris Baguette Family Inc., a Delaware corporation ("Franchisor") and _____ a[n] _____ ("Franchisee"), and shall be effective as of the date on which Franchisor executes this Agreement ("Effective Date"). Certain initially capitalized terms used frequently in this Agreement are defined in Section 1(A).

RECITALS:

Franchisor has the right to use and license the use of a system (the "System") for the establishment and operation of Paris Baguette Cafes under the Marks (defined below) ("Paris Baguette Cafes").

The distinguishing characteristics of the System include, without limitation; distinctive exterior and interior design, decor, color scheme, and 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; and advertising and promotional programs, all of which may be changed, deleted, 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 "Paris Baguette" 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 (the "Marks").

Franchisee wishes to obtain the right to use the System for the operation of a Paris Baguette Cafe at the location specified in Attachment C to this Agreement (the "Location"), as well as to receive the training and other assistance provided by Franchisor, and acknowledges the importance of operating the Paris Baguette Cafe in conformity with Franchisor's high standards of quality and service.

Franchisor wishes to grant Franchisee a franchise for the operation of a Paris Baguette Cafe upon the terms and conditions set forth 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:

Section 1. DEFINITIONS AND GRANT

A. Definitions.

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

"Area Development Agreement" means the agreement between Franchisee or one of its Affiliates, as "Area Developer," and Franchisor under which the Area Developer has the right and obligation to develop a designated number of Paris Baguette Cafes within the time period and geographic area specified in the agreement, under franchise agreements with Franchisor, and includes all exhibits, schedules, attachments, and addenda thereto.

"Business Day" means any day other than Saturday, Sunday or the following national holidays: New Year's Day, Martin Luther King Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving and Christmas.

"Cafe" means the business operated by Franchisee at the Location pursuant to this Agreement, including all assets of Franchisee used in connection therewith.

"Cafe Manager" means a qualified individual who meets the requirements in Section 6(E) 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 Cafes.

"Company-Owned Cafe" means any Paris Baguette Cafe owned by Franchisor or an Affiliate of Franchisor.

"Competing Business" means a business that owns, operates, licenses or franchises a bakery/cafe style restaurant that offers baked goods such as breads, croissants, baguettes, pastries and cakes, as well as coffee, tea and other beverages. A Competing Business also includes a business that produces or manufactures baked goods. A Competing Business includes, but is not limited to, Panera Bread, Einstein Bros Bagels, Pret a Manger, Le Pain Quotidien, Paul French Bakery and Cafe, Au Bon Pain, La Madeleine Country French Café, Corner Bakery Cafe, and Tous Les Jour.

"Confidential Information" means any confidential information, knowledge, trade secrets, non-public information or know-how concerning the methods of development hereunder and of establishing and operating a Paris Baguette Cafe that Franchisor or any of its Affiliates may communicate or disclose to Franchisee, any of its Affiliates, any of the Principals, the Operating Principal, a Cafe Manager or any Personnel or agent of Franchisee (whether in writing, electronic communication, verbally, by observation or otherwise). Confidential Information includes any and all information, knowledge, trade secrets, know-how, techniques, Internet/Intranet passwords, information in the Manuals and any techniques or materials used in or related to the System, the terms of this Agreement or any franchise agreement or ancillary agreement, financial and marketing information, any information in connection with any supplier to the System, production or manufacturing information and any other non-public information relating to the System.

"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) are 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 or limited liability company, that the Principals (i) own at least fifty-one percent (51%) interest in the operating profits and operating losses of the Franchisee as well as at least fifty-one percent (51%) ownership interest in the Franchisee (and at least fifty-one percent (51%) interest in the shares of each class of capital stock of any corporate general partner or managing member) and (ii) are entitled under its partnership agreement or operating agreement (or similar document) or applicable law to act on behalf of the Franchisee without the approval or consent of any other partner or member or are able to cast a sufficient number of votes to require the Franchisee to take or omit to take any action which the Franchisee is required to take or omit to take under this Agreement.

"Cooperative" means a marketing cooperative, as described in Section 8(D) of this Agreement.

"Force Majeure" means acts of God, strikes, lockouts or other industrial disturbances (including without limitation those affecting production and supply), war, embargoes, terrorism, riot, natural disasters,

man-made disasters, fire or other catastrophe, compliance with the orders, regulations, rules or laws of any federal, state, or municipal government, or other forces beyond Franchisor's or Franchisee's control.

"Gross Sales" means the total selling price of all services and products and all income of every other kind and nature related to the Cafe (including, without limitation, income related to catering and delivery operations and special events and the value of any products), whether for cash or credit (treated as a sale when the charge is made and regardless of collection in the case of credit), sales in kind from barter and/or exchange, as well as business interruption insurance proceeds. The following are included within the definition of Gross Sales except as otherwise noted: (a) the full retail value of beverages and food items furnished to Franchisee's Personnel except for any discounts Franchisee extends to its Personnel; (b) the full retail value of all products sold to customers regardless of any discount applied in connection with the redemption of authorized coupons or vouchers except for any discount applied in connection with national marketing initiatives and approved local initiatives; and (c) the retail value of gift certificates and gift cards, upon redemption. Gross Sales does not include (i) sales taxes Franchisee collects from customers of the Cafe, if the taxes are transmitted to the appropriate taxing authority; (ii) tips or gratuities paid directly to Franchisee's Personnel by customers of the Cafe or paid to Franchisee and turned over by Franchisee to its Personnel in lieu of direct tips or gratuities; and (iii) fees collected by third party delivery services or aggregators prior to remitting payment to Franchisee.

"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 (including electronic form), the Gross Sales of the Cafe for the preceding week (Monday through Sunday), which days may change, in Franchisor's discretion.

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

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

"Local Marketing Requirement" means the amount Franchisee must spend for local marketing and publicity pursuant to Section 8(C) of this Agreement.

"Location" means location of the Cafe as established under the terms of this Agreement, as specified in Attachment C to this Agreement.

"Manuals" means Franchisor's Confidential Operations Manuals, written directives and any other manuals and written materials or communications as Franchisor shall have developed for use in the System, however communicated, as revised by Franchisor from time to time.

"Marketing Fund" or "Fund" means the marketing fund described in Section 8(E) of this Agreement.

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

"Operating Principal" means a qualified individual who meets the requirements in Section 6(E) of the Area Development Agreement, if the Cafe subject to this Franchise Agreement is or has been developed under an Area Development Agreement, or Section 6(E) of this Agreement and who is designated by Franchisee and approved by Franchisor.

"Principals" or "Franchisee's Principals" shall include collectively and individually, all holders of an ownership interest in Franchisee and of any entity directly or indirectly controlling Franchisee.

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

"Publicly-held Corporation" is a corporation registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended, or a corporation subject to the requirements of Section 15(d) of such Act.

"Reserved Area" is any mall (defined as an enclosed indoor or outdoor retail space consisting of 250,000 or more square feet); airport; train or bus station; hospital; school, college, university or other educational institution; hotel, resort or other lodging facility; amusement park; sports facility; state or national parks; exhibition hall, conference facility or convention center; casino or gambling establishment; military base; highway plaza or rest stops; or any similar area.

"Software Programs" means the proprietary or other software programs developed or acquired by or on behalf of Franchisor for use by Paris Baguette Cafes.

"Taxes" means any present or future taxes, levies, imposts, duties or other charges of whatsoever nature, 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, including any present or future tax obligations on royalties and other fees.

B. Grant of Rights. Franchisor hereby grants Franchisee the right and license, and Franchisee hereby accepts the right and obligation, to establish and operate a Paris Baguette Cafe under the Marks and the System in accordance with this Agreement at the Location. This Agreement grants Franchisee the right and license to, in accordance with Franchisor's System standards and specifications:

(1) operate the Cafe at the Location; and

(2) conduct authorized catering or delivery activities from the Location subject to the approvals and restrictions set forth in Section 7(E)(1).

Franchisee may not actively advertise or market its Cafe or any catering or delivery services outside of its Protected Area except as part of a Cooperative (as hereafter defined), provided however, Franchisee may advertise or market catering or delivery services in geographic areas that are not subject to a franchise agreement for another franchisee or assigned to a Company Owned Café, upon Franchisor's prior written approval. Franchisee may make deliveries and provide catering both within and outside of its Protected Area.

C. Protected Area. Upon Franchisee's acquisition of the site for the Cafe, Franchisee's Protected Area will be described in Attachment C. Franchisor will have sole discretion to determine the extent of the Protected Area, which, depending on demographics and other factors, could be limited to just the Location. Except as provided in this Agreement (including Section 1(D) hereof), and subject to Franchisee's full compliance with this Agreement, neither Franchisor nor any Affiliate of Franchisor will establish, or authorize any person or entity other than Franchisee to establish, a Paris Baguette Cafe in the Protected Area during the term of this Agreement, provided that Franchisor may establish, or authorize any person or entity to establish, a Paris Baguette Cafe in a Reserved Area even if within the Protected Area.

D. 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 shall have the right, among others: (1) to develop and establish other business systems using the Marks, or other names or marks, and to grant licenses to use those systems inside or outside the Protected Area without providing any rights to Franchisee; (2) to advertise and promote the System in the Protected Area; (3) to operate, and license others to operate, Paris Baguette Cafes at any location outside the Protected Area or in any Reserved Area, including locations that are adjacent to the Protected Area; (4) to operate or license any type of business under other names or marks inside or outside the Protected Area; and (5) except for the restriction set forth in Section 1(C) against the establishment of another Paris Baguette Cafe in the Protected Area, to engage, directly or indirectly, at wholesale, retail or otherwise, in the production, distribution, license and sale of any and all food, beverages, 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, from or through catering, delivery, temporary or seasonal facilities at special events or venues (including, without limitation, concerts, street fairs, parks, parades, sporting events, and similar venues), mail order catalogs or the Internet, regardless of the proximity to, or the competitive impact on, Franchisee's Cafe. Notwithstanding the provisions of Section 1, Franchisor may acquire the assets or ownership interest in (or merge or become affiliated with) one or more businesses operating under names other than the Marks, including competing businesses, and has the right to convert those locations to cafes, regardless of location, and the right to be acquired by (or merge or become affiliated with) any other business operating under names other than the Marks, including a competing business, with locations anywhere, which may result in the required conversion of cafes.

Section 2. LOCATION, CONSTRUCTION AND OPENING DATE

A. Location. Franchisee has been granted the right to operate a Cafe at the Location listed in Attachment C to this Agreement. If a Location for the Cafe is not set forth in Attachment C when this Agreement is executed, then Franchisee is responsible for locating a site within the geographic site selection area described on Attachment C (the "Search Area"). The Search Area is delineated for the sole purpose of site selection and does not provide any territorial exclusivity or protection. Franchisee must find a location in the Search Area and submit it to Franchisor for approval as required in this Agreement. Franchisee must provide Franchisor with a description of a proposed Location within ninety (90) days of the execution of this Agreement, along with such other information as Franchisor may reasonably require, including, for example, a letter of intent, in accordance with Attachment F to this Agreement, the Site Selection and Acquisition Addendum ("Site Addendum"). Franchisee must submit to Franchisor, in draft form, its proposed lease, sub-lease, or real estate purchase agreement for the proposed Location for the Cafe. Franchisee may not sign a lease or purchase real estate for a Cafe until: (1) Franchisor has stated to Franchisee, in writing, that the lease, sub-lease, or real estate purchase agreement is acceptable to Franchisor, which may be contingent upon the execution of the Collateral Assignment and Lease Addendum Terms in Attachment G; and (2) a Franchise Agreement for the Cafe has been fully executed by the Franchisor and Franchisee. ("Fully executed" means that both Franchisor and Franchisee have signed the Franchise Agreement and all attachments to the Franchise Agreement). Franchisee must ensure that its lease agreement complies with this Agreement, including Attachment G. Franchisee acknowledges that Franchisor's review of any leases, sub-leases or real estate purchase agreements and Franchisor's review of prospective sites are simply to ensure that the site meets Franchisor's then-acceptable criteria, which have been established for its own purposes. Neither the acceptance of a site or lease, nor Franchisor's rendering of assistance in the selection of a site, constitute a representation, promise, warranty or guarantee, express or implied, by Franchisor that the Cafe operated at that site will be profitable or otherwise successful.

B. Relocation. Franchisee shall not relocate the Cafe without Franchisor's express prior written consent. If Franchisee is unable to continue the operation of the Cafe 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 Cafe, but must apply for such approval within thirty (30) days after such event. Franchisor is not obligated to approve or consider any request for relocation and may, in its sole discretion, deny a request or require any conditions prior to the consideration of such proposed relocation. If Franchisor grants Franchisee the right to relocate the Cafe, then Franchisee shall obtain approval for the relocation site within ninety (90) days of Franchisor's grant of the request for relocation and comply with such site selection and construction procedures as Franchisor may require. Upon approval of the right to relocate the Cafe, Franchisee shall pay a relocation fee equal to twenty-five percent (25%) of the then-current standard Initial Franchise Fee or, if Franchisor no longer offers franchises at the time of relocation, twenty-five percent (25%) of the most-recent standard Initial Franchise Fee. Franchisee shall also be responsible for paying all of Franchisor's costs and expenses incurred in assisting Franchisee in relocating the Cafe, including labor, salary, travel, professional fees, demographic reports, and other fees and costs.

C. Licenses; Permits. Franchisee shall be responsible for obtaining all zoning classifications and clearances which may be required by any laws, ordinances, regulations, or restrictive covenants relating to the premises of the Cafe. Before beginning construction of the Cafe, Franchisee shall (1) obtain all approvals, clearances, permits, licenses and certifications required for the lawful construction or remodeling and operation of the Cafe, and (2) certify in writing to Franchisor that they have been obtained and that the insurance coverage required by this Agreement is in full force and effect. At Franchisor's request, Franchisee shall provide to Franchisor copies of all such approvals, clearances, permits, licenses and certifications. Franchisor may require that Franchisee use a permit expediter or other professional, at Franchisee's cost.

D. Construction and Finish Out.

(1) Franchisor will provide Franchisee with its standard prototypical architectural and design plans and specifications for a Paris Baguette Cafe. A traditional Paris Baguette Cafe typically has a footprint of approximately 3,000 square feet or more and has an inviting area for in-Cafe dining. Franchisee acknowledges that the architectural and design plans and specifications provided by Franchisor may not satisfy the requirements of any federal, state, or local law, code, or regulation, including those arising under the Americans with Disabilities Act ("ADA") or similar rules governing public accommodations for persons with disabilities. Franchisee shall obtain, at its expense, any additional architectural, engineering, design, construction, and other services it deems necessary for the construction of the Cafe. All finished plans and construction must be in accordance with federal, state and local law.

(2) Franchisee must secure architectural and general contractor services. Franchisee must use one of Franchisor's pre-approved vendors and suppliers, or must submit a vendor or supplier of Franchisee's choosing to Franchisor for approval, which Franchisor may approve or disapprove in its sole discretion. Franchisee shall adapt Franchisor's prototypical architectural and design plans and specifications for a Paris Baguette Cafe as necessary for the construction at the Location of the Cafe licensed under this Agreement and shall submit such adapted plans to Franchisor for review within thirty (30) days after it acquires such prototypical architectural and design plans and specifications. Franchisor may require that Franchisee utilize professionals or software in connection with the architectural and design process, including the generation of test fit drawings and surveys prepared by vendors that Franchisor may require, at Franchisee's cost. Franchisee's adapted plans must comply with the ADA and similar rules, other applicable ordinances, building codes, permit requirements, and lease requirements and restrictions. Once approved, Franchisee must construct the Cafe in accordance with these designs and specifications and other specifications in the Manuals, in accordance with all applicable codes, ordinances, rules, and regulations, and pursuant to all required permits.

(3) Franchisee shall provide to Franchisor a copy of the construction contract for the Cafe and the final architectural plans after they have been approved as set forth in Section 2(D)(2) above.

(4) Franchisor will use commercially reasonable efforts to either approve or reject the plans within thirty (30) days after Franchisor receives the plans. Franchisor shall have discretion to reasonably extend the time to approve or reject the plans beyond the thirty (30) days. If Franchisor, in its sole discretion, determines that the plans are not consistent with System standards, Franchisor may prohibit the use of such plans. If Franchisor objects to any such plans, Franchisor shall provide Franchisee with a reasonably detailed list of changes necessary to make the plans acceptable. If Franchisor rejects the plans, Franchisee must submit revised plans, and Franchisor will use commercially reasonable efforts to either approve or reject the revised plans within thirty (30) days after Franchisor receives the revised plans. Franchisee may not use any plans until Franchisor has approved them in writing, and Franchisor's silence with respect to approval or rejection of the plans shall not be deemed to be approval of the plans. Franchisee shall provide written notice to Franchisor and shall obtain Franchisor's prior written approval of any proposed changes to the final plans previously approved by Franchisor. 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 shall not be responsible for architecture or engineering, or for code, zoning, or other requirements of the laws, ordinances or regulations of any federal, state, local, or municipal governmental body, including, without limitation, any requirement relating to accessibility by disabled persons or others, nor shall Franchisor be responsible for any errors, omissions, or discrepancies of any nature in the plans.

(5) Franchisee shall promptly commence and diligently pursue construction of the Cafe. During construction, Franchisee shall provide Franchisor with such periodic progress reports as Franchisor may reasonably request. In addition, Franchisor may make such on-site inspections as it may deem reasonably necessary to evaluate such progress. Franchisee agrees that Franchisor shall have right to consult with the contractors engaged by Franchisee to construct and/or finish out the Cafe. Franchisee shall notify Franchisor of the scheduled date for completion of construction no later than forty-five (45) days prior to such date. Within a reasonable time after the date construction is completed, Franchisor may, at its option, conduct an inspection of the completed Cafe. Franchisee shall not open the Cafe for business without the written authorization of Franchisor, which authorization shall be conditioned upon Franchisee's strict compliance with this Agreement. Franchisee shall pay the travel and out-of-pocket expenses incurred by Franchisor in connection with these inspections and consultations.

E. Opening Date. Franchisee shall open the Cafe and commence business within three hundred and sixty five (365) days after the execution of this Agreement (366 days in a leap year), unless Franchisee obtains a written extension from Franchisor. Franchisee acknowledges that time is of the essence. The Opening Date shall be entered in Attachment C. Immediately after the Opening Date, Franchisor may, at its discretion, deliver a Confirmation of Opening Date in the form of Exhibit 1 of Attachment C. Before the Opening Date, Franchisee shall complete all exterior and interior preparations for the Cafe, including installation of equipment, fixtures, furnishings and signs, pursuant to the plans and specifications approved by Franchisor, and shall comply with all other pre-opening obligations and schedules, including, but not limited to, those obligations described in Section 6 of this Agreement. If

Franchisee fails to comply with any of such obligations, Franchisor shall have the right to prohibit Franchisee from opening and may terminate this Agreement.

Section 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, unless a shorter term is set forth on Attachment C to this Agreement.

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 all of the following conditions which must, at Franchisor's option, be met prior to and at the time of renewal:

(1) Franchisee shall 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 or renewal term, as applicable;

(2) Franchisee shall refurbish, repair or replace, at Franchisee's cost and expense, all equipment, electronic cash register systems, computer systems, signs, interior and exterior decor items, fixtures, furnishings, equipment, supplies and other products and materials required for the operation of the Cafe as Franchisor may reasonably require and shall otherwise upgrade the Cafe to reflect the then-current standards and image of the System and shall participate in a grand re-opening promotion, as required by Franchisor, at Franchisee's cost;

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

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

(6) Franchisee shall execute Franchisor's then-current form of renewal franchise agreement, which agreement shall 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 Local Marketing Requirement and/or contribution to the Marketing Fund and Franchisor may re-evaluate Franchisee's then-current Protected Area to determine whether there have been any shifts in demographics or in Franchisor's standards that would warrant modifying the Protected Area, therefore the total Protected Area size upon renewal may be smaller or larger than the original Protected Area;

(7) Franchisee shall pay to Franchisor a renewal fee equal to fifty percent (50%) of the then-current standard Initial Franchise Fee;

(8) Franchisee and its Principals shall 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, employees and other personnel, past and present,

in their corporate and individual capacities, including, without limitation, claims arising under this Agreement or under federal, state or local laws, rules, regulations or orders; and

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

Section 4. FEES

A. Initial Franchise Fee. Upon Franchisee's execution of this Agreement, Franchisee shall pay Franchisor the initial franchise fee for a single Paris Baguette Cafe of fifty thousand dollars ($50,000) (the "Initial Franchise Fee"). If (1) the Cafe subject to this Agreement is, or will be, developed pursuant to an Area Development Agreement, or (2) this is the second or any subsequent Franchise Agreement between Franchisor and Franchisee, the Initial Franchise Fee shall be discounted to forty thousand dollars ($40,000) and, in the case of an Area Development Agreement, so long as Franchisee is not in default under any other agreements between Franchisee or its Affiliates and Franchisor, Franchisor shall credit twenty thousand dollars ($20,000) from the development fee towards the initial franchisee. The Initial Franchise Fee must be paid to Franchisor by electronic funds transfer, unless another method is required by Franchisor, and will not be refunded, fully or partially, under any circumstances. If the Cafe will be majority-owned by a current member of the U.S. military or a former member who was honorably discharged, Franchisee is eligible for a one-time fifteen percent (15%) discount on the Initial Franchise Fee for Franchisee's first Cafe. Franchisor reserves the right to modify or cancel the military discount at any time.

B. Royalty Fee/Gross Sales Report. During the term of this Agreement, Franchisee shall pay to Franchisor a continuing weekly royalty fee in an amount equal to the percentage of the Cafe's Gross Sales for the immediately preceding week as set forth on Attachment C. The royalty fee shall be paid by Franchisee to Franchisor via electronic funds transfer ("EFT"), or any other means reasonably specified by Franchisor. Franchisor shall collect each payment on the Tuesday following the week in which the royalty fee was earned based on Gross Sales, 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 shall be due on the next Business Day. For purposes of this Section 4(B), the Cafe's first week of operation shall begin on the Opening Date and shall end on the following Sunday, and each subsequent week shall begin on Monday and conclude on the following Sunday. In addition, on or before each Tuesday during the term of this Agreement, Franchisee shall provide a Gross Sales Report to Franchisor for the immediately preceding week. Franchisor reserves the right to change the date, time and manner in which Franchisor collects royalty payments or other payments due or receives Gross Sales Reports upon two weeks prior written notice.

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

(1) Any payment not actually received by Franchisor on or before the due date shall be deemed overdue. Time is of the essence for all payments to be made by Franchisee to Franchisor. All unpaid obligations under this Agreement shall bear a late fee ("Late Fee") 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 shall require the payment or permit the collection of a Late Fee in excess of the maximum rate allowed by applicable law. If for any reason any Late Fee in excess of the maximum rate allowed by applicable law shall be deemed charged, required or permitted, any such excess shall 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 shall be repaid to the party making the payment. Franchisee shall also be responsible for reimbursing Franchisor for any bank or lender charges related to the past due payment.

(2) Acceptance by Franchisor of any payments due subsequent to the due date shall 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 shall 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 shall constitute or be considered as an accord or satisfaction.

(4) Franchisee shall have no right to 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.

D. Software and Technology Fees. Franchisee may be required to utilize the software that Franchisor requires for use by its Franchisees (the "Software"). Franchisor reserves the right to impose its then-current software installation, maintenance and/or charges, payable to third-party providers or to Franchisor or its Affiliates, for the use of the Software, computer system, and security system. Franchisor also reserves the right to implement and charge a separate additional technology fee ("Technology Fee"), payable to Franchisor or its Affiliates, in the event Franchisor or its Affiliates (1) develop and license to Franchisee Software, or other technology, (2) modify or enhance software or technology already licensed to Franchisee including the website and POS System (such as an interface to connect the delivery and takeout platforms); or (3) furnish Franchisee with other technology or e-commerce related maintenance and support services such as a franchisee portal, product ordering platform, delivery or takeout platform, mobile application or helpdesk. Franchisor retains the right, but not the obligation, to pay any such costs out of the Marketing Fund. Franchisor reserves the right to change the amount of any Technology Fee on an annual basis.

E. Other Fees and Payments. In addition to the Initial Franchise Fee and weekly royalty, Franchisee shall pay when due all other fees or amounts described in this Agreement.

F. Electronic Funds Transfer. At Franchisor's request, Franchisee shall execute Attachment E to this Agreement and all other documents necessary to permit Franchisor to withdraw funds from Franchisee's designated bank account by EFT in the amount of the royalty fee in Section 4(B), the marketing contribution described in Section 8(B), and any other fees owed hereunder, at the time such amounts become due and payable under the terms of this Agreement. Any fee calculated by reference to Gross Sales shall be based on the information obtained by Franchisor pursuant to Section 7(G) 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 week based on the most recent Gross Sales Report provided to Franchisor by Franchisee; provided, that if a Gross Sales Report for the subject week is subsequently received and reflects (1) that the actual amount of the fee due was more than the amount of the EFT, then Franchisor shall be entitled to withdraw additional funds through EFT from Franchisee's designated bank account for the difference; or (2) that the actual amount of the fee due was less than the amount of the EFT, then Franchisor shall credit the excess amount to the payment of Franchisee's future obligations. Should any EFT or other method of payment not be honored by Franchisee's bank for any reason, Franchisee agrees that it shall be responsible for that payment and Franchisor's then-current service charge. If any payments are not received when due, interest may be

charged in accordance with Section 4(C). Upon written notice to Franchisee, Franchisor may designate another method of payment.

Section 5. FRANCHISOR'S OBLIGATIONS

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

A. Manuals. On loan, one (1) set of the Manuals, which may be distributed electronically.

B. 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.

C. Inspections. Inspections of the Cafe and evaluations of the products sold and services rendered therein from time to time to ensure compliance with System standards, as reasonably determined by Franchisor.

D. Marketing. Administration of a marketing fund and/or marketing cooperatives in accordance with Section 8 for so long as Franchisor determines, as well as the provision of certain grand opening materials and other advertising and promotional materials developed by or on behalf of Franchisor from time to time for use in marketing and conducting local advertising for System Cafes, at Franchisee's cost.

E. Operational Advice. Advice and written materials concerning techniques for managing and operating Paris Baguette Cafes, including new developments and improvements in System equipment and System products.

F. Collateral Merchandise. From time to time in Franchisor's discretion, and at Franchisee's reasonable cost, provide Franchisee with certain merchandise identifying the System, such as caps, t-shirts and other System memorabilia, in sufficient amounts to meet customer demand that Franchisee must sell.

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

H. Training. An initial training program for Franchisee's Operating Principal, Cafe Manager and eight (8) to ten (10) food production Personnel and additional training programs in accordance with Section 6(F). Prior to beginning initial training, Franchisor will provide Franchisee access to the training materials, including, without limitation, the Manuals. The training materials are Confidential Information, are provided to Franchisee on loan, and remain Franchisor's property. Franchisee must not use the information contained in the training materials for any purpose other than to manage the Cafe and must not copy or distribute the training materials in any manner whatsoever.

I. Pre-Opening and Opening Assistance. Up to three (3) on-site visits in connection with the site evaluation of the Cafe as part of the Initial Franchise Fee. This shall include up to two (2) visits for construction review purposes and one (1) visit for site evaluation and consultation purposes. Additionally, as part of the Initial Franchise Fee, Franchisor will provide in-Cafe assistance by sending two (2) of its Cafe operations Personnel and three (3) of its food production Personnel to assist Franchisee at its Cafe for a prescribed period of time before the Opening Date, on the Opening Date and three (3) days after the Opening Date, provided that Franchisee shall pay or reimburse Franchisor for any travel, lodging, meals and other out-of- pocket expenses incurred by Franchisor's representatives and the cost of goods during the in-cafe training period. If Franchisee requests additional pre-opening and opening assistance, including

additional on-site visits, or if Franchisor otherwise deems such additional assistance appropriate, Franchisor may charge for Franchisor's costs of its personnel's travel, lodging, meals, and other out-of-pocket expenses. Notwithstanding the foregoing, if Franchisee is opening a Café in a market that Franchisor deems, in its discretion, to be a new market, Franchisor may elect to provide Franchisee with additional days of in-Café opening assistance. If Franchisee becomes a franchisee by acquiring a Paris Baguette Cafe from another Paris Baguette franchisee or from Franchisor, Franchisor is not obligated to provide the in-Café opening assistance. If Franchisor elects to provide such assistance, which Franchisor may provide in its sole discretion, the cost of same will be borne by the transferee. Franchisor will provide operations and BOH training to new operators and general managers either digitally or in a Paris Baguette Training Center.

J. Remedial Training. Upon Franchisee's reasonable request or if Franchisor shall determine it to be necessary during the term of this Agreement (including, but not limited to, Franchisee's failure of any quality control inspection), on-site or off-site remedial training, as determined by Franchisor; provided, that remedial training shall 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 remedial training, and Franchisee shall pay or reimburse Franchisor for the expenses incurred by its representatives, including the costs of travel, lodging, meals, and other out-of-pocket expenses. Franchisee shall be responsible for the costs and expenses of its attendees for any offsite training and will be responsible to provide wages for its personnel during any trainings.

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

A. Continuing Obligations. Franchisee and its Principals make the representations, warranties and covenants and accept the obligations contained in this Agreement. Such representations, warranties and covenants are continuing obligations, and Franchisee and its Principals acknowledge and agree that any failure to comply with them shall constitute a material event of default under this Agreement. Franchisee will cooperate with Franchisor to verify compliance with all representations, warranties and covenants.

B. Organization. Franchisee, if an entity, shall be an entity in the form of a corporation, partnership, limited liability company or other legal entity and shall meet the following requirements:

(1) Franchisee is duly organized and validly existing under the law of the state 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 shall at all times provide that the activities of Franchisee are confined exclusively to the operation of Paris Baguette Cafes;

(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) If Franchisee is a corporation, copies of Franchisee's articles of incorporation, bylaws, other governing documents, any amendments thereto, resolutions of the Board of Directors authorizing entry into and performance of this Agreement, and any certificates, buy-sell agreements or other documents restricting the sale or transfer of stock of the corporation, and any other documents as may be

reasonably required by Franchisor shall have been furnished to Franchisor prior to the execution of this Agreement; or, if Franchisee is a partnership or limited liability company, copies of Franchisee's written partnership or limited liability company agreement, other governing documents and any amendments thereto shall have been furnished to Franchisor prior to the execution of this Agreement, including evidence of consent or approval of the execution and performance of this Agreement by the requisite number or percentage of partners or members, as applicable, if such approval or consent is required by Franchisee's written partnership or limited liability company agreement and limitations on the transfer of ownership interests in accordance with restrictions on transfer set forth herein.

C. Ownership.

(1) The ownership interests in Franchisee are accurately and completely described in Attachment D. If Franchisee is a corporation, Franchisee shall 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 shall maintain at all times a current list of all owners of an interest in the partnership, limited liability company or other entity. Franchisee shall make its list of owners available to Franchisor upon request and provide Franchisor with any updates as they occur.

(2) If Franchisee is a corporation, Franchisee shall 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 shall 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 shall 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.

(3) 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 or her as one of Franchisee's Principals, Franchisor must receive advance notice and approve of same.

D. Financial Matters.

(1) Franchisee and, at Franchisor's request, each of the Principals have provided Franchisor with the most recent financial statements of Franchisee and such Principals. Such financial statements present fairly the financial position of Franchisee and each of the Principals, as applicable, at the dates indicated therein and, with respect to Franchisee, 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, and contingent or otherwise, which are not reflected as liabilities on the financial statements.

(2) The Principals, including the spouses of Principals or of any Franchisee who is an individual, shall jointly and severally guarantee the performance of Franchisee's obligations under this Agreement pursuant to the terms and conditions of the Guaranty and Assumption Agreement attached hereto as Attachment A, and shall otherwise bind themselves to the terms of this Agreement as stated herein.

(3) Franchisee shall provide Franchisor with all loan or other documents regarding the financing of its Cafe that Franchisor may request.

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

E. Operating Principal; Cafe Manager. Franchisor has the right to be satisfied that the strategic and tactical decision makers for each Franchisee and Area Developer, along with those individuals who control the day-to-day development and operations of any Café, are adequately trained and qualified. Franchisee shall designate, and shall retain at all times during the term of this Agreement, an individual approved by Franchisor to serve as Franchisee's Operating Principal.

(1) The Operating Principal shall maintain a direct or indirect ownership interest of at least ten percent (10%) in the Area Developer (or the Franchisee in the event of a single Café purchase) or each of its Affiliates operating a Paris Baguette Cafe unless otherwise agreed to by the Franchisor. Except as may otherwise be provided in this Agreement, the Operating Principal's interest shall 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 for all Paris Baguette Cafes operated by Area Developer and, if applicable, its Affiliates must be the same person, and the Operating Principal under this Agreement and any Area Development Agreement pursuant to which this Agreement is executed must be the same person. The Operating Principal shall be individually, jointly and severally, bound by all obligations of the Operating Principal and a Principal hereunder.

(2) Notwithstanding Section 6(E)(1), if Franchisee owns and operates only one Cafe, then the Operating Principal shall directly supervise the operation of Franchisee's Cafe or, subject to Franchisor's written consent, Franchisee may designate a Cafe Manager to supervise the operation of Franchisee's Cafe. If Franchisee owns and operates more than one (1) Cafe, then the Operating Principal may directly supervise the operation of one (1) of the Cafes, but Franchisee must designate a Cafe Manager approved by the Franchisor for each Paris Baguette Cafe. If Franchisee operates multiple Cafes under an Area Development Agreement, then Franchisee shall designate one (1) Cafe Manager approved by the Franchisor in addition to the Operating Principal acting to oversee the Cafe Managers and the general development and operations of all Cafes. Notwithstanding the foregoing, Franchisee and its Operating Principal shall remain fully responsible for all Cafe Managers' performances and for the operations of the Franchised Business. Each Cafe Manager and any employee receiving confidential information shall execute the Confidentiality Agreement attached as Attachment B to this Agreement.

(3) Franchisee's Operating Principal shall devote reasonable and adequate time to the supervision of the Paris Baguette Cafe operated by Franchisee and, without Franchisor's written consent, shall not engage in any other business. In addition, the Cafe Manager shall devote reasonable and adequate time and best efforts to the supervision and operation of the Cafe business conducted by Franchisee.

(4) Franchisee must promptly notify Franchisor if the Operating Principal or Cafe Manager 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. At Franchisor's sole option, upon Franchisee's failure to comply with this Section 6(E)(4), Franchisor may exercise its Step-In Rights in accordance with the provisions of Section 17(E) hereof.

F. Training.

(1) Franchisee's Operating Principal, Cafe Manager and eight (8) to ten (10) food production Personnel, at Franchisor's discretion, shall successfully complete Franchisor's initial training program prior to the Opening Date. Any successor (for example, due to a Cafe transfer) or replacement Operating Principal, Cafe Manager or food production Personnel shall successfully complete Franchisor's

initial training program, and pay Franchisor's then-current rates for same, within ninety (90) days from when such persons are designated. Such persons, and any other Personnel of Franchisee who Franchisor may approve, shall attend and complete any additional initial training that Franchisor may from time to time require, and Franchisee shall be charged for such training at Franchisor's then-current rate. Training shall be conducted at locations designated by Franchisor and may be held virtually in Franchisor's discretion.

(2) Initial training for Franchisee's Operating Principal, Cafe Manager, and eight (8) to ten (10) food production Personnel is provided at no charge; however, Franchisor reserves the right to charge its then-current fee for training successor or replacement or additional Personnel and for any additional training programs, including training required by Franchisor in connection with the introduction of new products or new methods for the System. Franchisee's Operating Principal and other Personnel designated by Franchisor must attend any training required by Franchisor. Franchisee shall be responsible for all expenses incurred in connection with any initial, required or additional training, including, without limitation, the costs of travel, lodging, meals, insurance costs and wages incurred by Franchisee, its Operating Principal, Cafe Manager or other Personnel. If training will be onsite at Franchisee's location, Franchisee shall also be responsible to cover the costs and expenses of Franchisor's personnel providing the training.

(3) If any Operating Principal or Cafe Manager fails, in Franchisor's sole judgment, to satisfactorily complete Franchisor's initial training program, and Franchisee fails to cure such default within ninety (90) days following written notice from Franchisor, Franchisor may terminate this Agreement. If any of the food production Personnel fail to successfully complete the post initial training program test, then the food production Personnel must attend additional training at Franchisee's cost which costs may include Franchisor's then current additional training fees.

(4) If the Opening Date of Franchisee's Cafe is more than one (1) month after Franchisee's Operating Principal's, Cafe Manager's or the food production Personnel's successful completion of the initial training program, then Franchisor may require Franchisee's Operating Principal, Cafe Manager or food production Personnel to attend additional training at Franchisor's discretion, and Franchisee shall be charged for such training at Franchisor's then-current rate. Franchisee is responsible for any costs and expenses for its attendees and the costs of travel, lodging, meals, insurance costs and wages incurred by Franchisee, its Operating Principal, Cafe Manager or other Personnel.

G. Conference. Franchisor may, in its discretion, hold conferences ("Conference") at a location to be selected by it. Franchisee's Operating Principal and any Cafe Manager or other individuals designated by Franchisor, must attend any Conference. Franchisor may charge its then current registration fee to attend the Conference. All of Franchisee's expenses, and those of Franchisee's attendees, including but not limited to, transportation to and from the Conference, and lodging, meals, employee insurance costs and salaries during the Conference, are the responsibility of Franchisee.

H. Legal Compliance. In addition to complying with its obligations under this Agreement, Franchisee shall comply with all applicable federal, state and local laws, rules, regulations, ordinances and orders. Such laws, rules, regulations, ordinances and orders vary from jurisdiction to jurisdiction and may be amended, 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. Franchisee shall abide by all applicable laws pertaining to privacy of information collected or maintained by it ("Privacy"), and shall comply with Franchisor's standards and policies pertaining to Privacy. Franchisee must maintain all credit card processing hardware and software in compliance with the Payment Card Industry (PCI) Data Security Standard, as it may be amended or any other standard required by Franchisor.

If there is a conflict between Franchisor's standards and policies pertaining to Privacy and applicable law, Franchisee shall: (1) comply with the requirements of applicable law; (2) immediately give Franchisor written notice of said conflict; and (3) promptly and fully cooperate with Franchisor and its counsel as it may request to assist in a determination regarding the most effective way, if any, to meet the standards and policies pertaining to Privacy within the bounds of applicable law.

I. Powers of Attorney. Franchisee hereby appoints Franchisor its true and lawful attorney-in-fact, with full power and authority to (1) assign to Franchisor upon the termination or expiration of this Agreement (a) all rights to the telephone numbers of the Cafe, and all rights to any Website listings or services, search engines or systems, and any other business listings related to the Cafe and (b) at Franchisor's option, Franchisee's interest in any lease for the premises of the Cafe and any equipment used in the operation of the Cafe; and (2) obtain any and all returns and reports related to the Cafe that Franchisee files with any local, state or federal taxing authority. Such powers of attorney shall survive the expiration or termination of this Agreement and Franchisee shall 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.

J. No Competing Interests. Franchisee warrants and represents that neither Franchisee nor any of its Affiliates or Principals nor the spouses of any Principals or of any Franchisee who is an individual, own, operate or have any financial or beneficial interest in any Competing Business.

K. Anti-Terrorism Laws. Without limiting the generality of Section 6(H), Franchisee certifies that neither Franchisee nor its owners, Personnel or anyone associated with Franchisee is listed in the Annex to Executive Order 13224. (The Annex is available at http://www.ustreas.gov/offices/enforcement/ofac/.) Franchisee agrees not to hire or have any dealings with a person listed in the Annex. Franchisee certifies that it has no knowledge or information that, if generally known, would result in Franchisee, its owners, Personnel, or anyone associated with Franchisee being listed in the Annex to Executive Order 13224. Franchisee agrees to comply with and/or assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with the Anti-Terrorism Laws (as defined below). In connection with such compliance, Franchise certifies, represents, and warrants that none of its property or interests is subject to being "blocked" under any of the Anti-Terrorism Laws and that Franchisee and its owners are not otherwise in violation of any of the Anti-Terrorism Laws. Franchisee is solely responsible for ascertaining what actions must be taken by Franchisee to comply with all such Anti-Terrorism Laws, and Franchisee specifically acknowledges and agrees that Franchisee's indemnification responsibilities as provided in Section 15 of this Agreement pertain to Franchisee's obligations under this Section 6(K). Any misrepresentation by Franchisee under this Section or any violation of the Anti-Terrorism Laws by Franchisee, its owners, or Personnel shall constitute grounds for immediate termination of this Agreement and any other agreement Franchisee has entered into with Franchisor or one of Franchisor's Affiliates in accordance with the terms of this Agreement. As used herein, "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 and local 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) addressing or in any way relating to terrorist acts and acts of war.

Section 7. CAFE OPERATIONS

A. Standards Compliance. Franchisee acknowledges the importance of maintaining uniformity among all of the Paris Baguette Cafes and the importance of complying with all of Franchisor's

standards and specifications relating to the operation of the Paris Baguette Cafes. To protect the reputation and goodwill of Franchisor and to maintain the high standards of operation under the Marks, Franchisee shall conduct its business in accordance 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 Paris Baguette Cafes. The Manuals may be provided in any format Franchisor chooses. The Franchisor may update the Manuals and the Systems, at any time, as it deems appropriate. If there is a direct conflict between this Agreement and the Manuals, this Agreement shall take precedence.

B. Maintenance of Paris Baguette Cafe. Franchisee shall maintain the Cafe in a high degree of sanitation and repair, and shall 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, décor, and equipment (including, but not limited to, point of sale or computer systems, credit card equipment, phone system, security cameras and surveillance equipment) as Franchisor may reasonably direct. Franchisee also shall obtain, at Franchisee's cost and expense, any new or additional equipment, fixtures, supplies and other products and materials which Franchisor may reasonably require. Franchisee shall display, in the form and locations specified by Franchisor, signs stating that the Cafe is independently owned and operated by Franchisee. Franchisee shall display, as directed by Franchisor, advertisements promoting the availability of Paris Baguette franchises. 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 shall be made in or for the Cafe without Franchisor's prior written approval.

C. Upgrade of Cafe. Franchisee must, at its expense, pay for a five-year "refresh" (estimated cost from $50,000 - $150,000) to upgrade the Cafe, and for a ten-year "remodel" (estimated cost from $150,000 - $300,000) to upgrade the Cafe. In addition, upon Franchisor's request, Franchisee shall, at Franchisee's expense, promptly make such improvements to the Cafe to conform it to Franchisor's then-current standards, specifications, and decor. Renovation or upgrading may also be required if Franchisor adds new menu items that require the installation of new fixtures or equipment. Generally, the standards for alterations, remodeling, upgrading and other improvements will not exceed the requirements applicable to new franchises. In addition to the foregoing, Franchisee agrees that it will make any capital improvements (including technological improvements to any security, media or computer systems) required by this Section 7(C) if requested by Franchisor, provided that Franchisor will not require Franchisee to make any substantial capital improvement to the Cafe operated hereunder for the first two years of the Term. A grand re-opening campaign must be conducted, at Franchisee's cost, following a remodel.

D. Sourcing. Franchisee shall comply with all of Franchisor's standards and specifications relating to the purchase and distribution of food products, supplies, materials, fixtures, furnishings, equipment (including computer hardware and software, mobile applications, ordering and delivery platforms, phone systems and security cameras), services and other products used or offered for sale at the Cafe. If Franchisor has approved suppliers for any such item (including manufacturers, distributors and other sources), Franchisee must obtain these items from those suppliers. Franchisee acknowledges and agrees that (1) Franchisor may change the number of approved suppliers at any time and may designate itself, an Affiliate, or a third party as the exclusive source for any particular item; and (2) Franchisor may profit from Franchisee's purchases from approved suppliers, and Franchisor and/or its Affiliates may receive payments, fees, commissions or reimbursements from such suppliers in respect of Franchisee's purchases. If Franchisee desires to purchase, lease or use any products or other items from an unapproved supplier, Franchisee may submit to Franchisor a written request for such approval and pay Franchisor's costs in connection with the evaluation. Franchisee shall not purchase or lease from any supplier until and unless such supplier has been approved in writing by Franchisor, in its sole discretion. Franchisor is under no obligation to consider alternative suppliers. If Franchisor elects to consider or approve an alternative supplier, Franchisor shall have the right to require that its representatives be permitted to inspect the

supplier's facilities, and that samples from the supplier be delivered, either to Franchisor or to an independent laboratory designated by Franchisor for testing. 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 criteria. Franchisee may not offer any of the products or services offered by Paris Baguette Cafes at wholesale.

E. Operational Requirements. Franchisee shall operate the Cafe in strict 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 agrees:

(1) To sell or offer for sale all menu items, products and services Franchisor requires using the method and manner of distribution Franchisor prescribes. Distribution methods may include, but are not limited to, dine-in and carry-out. Catering or delivery activities may be authorized or mandated: (a) upon Franchisor's advance written consent and in Franchisor's sole discretion, if Franchisor believes the Cafe and its Personnel have the experience and know-how to do so successfully in strict compliance with System standards, (b) from the Location, and (c) in accordance with Franchisor's System standards and specifications and so long as Franchisee does not actively advertise or market catering or delivery services in any area outside of its Protected Area which is the "Protected Area" of another franchisee or is assigned to a Company Owned Cafe. If Franchisor requires or authorizes Franchisee to provide catering or delivery services, Franchisor may require Franchisee to make use exclusively of Franchisor's ordering, catering and/or delivery platform and/or such third-party ordering, catering and/or delivery platforms or provider(s) that Franchisor specifies in its sole discretion. If, at any time, Franchisee is unable to meet customer demand for catering and delivery services or if the catering or delivery services do not comply with System standards, then Franchisor may prohibit Franchisee from providing such services by withholding or rescinding its consent. Other franchisees and Franchisor may be authorized to provide catering and delivery within the Protected Area, and Franchisee will not be entitled to any compensation in connection with this.

(2) To sell and offer for sale only the menu items, products and services that Franchisor has expressly approved for sale in writing; to discontinue selling and offering for sale any menu items, products or services and any method or manner of distribution which Franchisor may disapprove in writing at any time; and to refrain from deviating from Franchisor's standards and specifications without Franchisor's prior written consent. Franchisor has the absolute right to remove all unapproved products, goods and materials from Franchisee's Café without payment to Franchisee. On a case-by-case basis, Franchisor may allow certain Franchisees to offer additional services and products based on test marketing conducted by Franchisor, but Franchisor has full discretion over whether to permit a Café to offer such services or products. Any right to sell alcoholic beverages from the Café is subject to Franchisor's express written consent, which may be withheld at its discretion, and Franchisee obtaining a valid liquor license from the jurisdiction in which the Café is located;

(3) To maintain in sufficient supply and to use and sell at all times only those food and beverage items, ingredients, products, materials, and supplies that conform to Franchisor's System standards and specifications; to prepare all menu items in accordance with Franchisor's recipes and procedures for preparation; to use the brand and/or type of ingredients Franchisor requires and the prescribed measurements of ingredients; and to refrain from deviating from Franchisor's System standards and specifications by using or offering non-conforming items or differing amounts of any items or otherwise, without Franchisor's prior written consent. All products, supplies and inventory purchased by Franchisee must be shipped directly to the Cafe, unless otherwise approved by Franchisor.

(4) To permit Franchisor or its agents or representatives, at any reasonable time, to remove samples of food or non-food items from the Cafe, without payment, in amounts reasonably necessary for testing to determine whether such samples meet Franchisor's then-current System standards

and specifications. In addition to any other remedies Franchisor may have under this Agreement, Franchisor may require Franchisee to bear the cost of such testing if the supplier of the item has not previously been approved by Franchisor or if the sample fails to conform to Franchisor's specifications.

(5) To purchase or lease and install, at Franchisee's expense, all fixtures, furnishings, equipment (including but not limited to computer systems, surveillance 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 in connection with the Cafe premises, without Franchisor's prior written consent, any fixtures, furnishings, equipment, decor items, signs or other items not previously approved as meeting Franchisor's standards and specifications, as set forth in the Manuals. All of Franchisee's employees must sign documentation acknowledging that they may be recorded and/or may be subject to monitoring and must agree to same.

(6) To grant Franchisor and its agents the right to enter the Cafe at any time for the purpose of conducting inspections (including but not limited to, interviewing Personnel and customers, removing samples of products or supplies sold at the Cafe and copying any records or other information in connection with the Cafe); to cooperate with Franchisor's representatives in such inspections by rendering such assistance as they may reasonably request; to present to its customers all evaluation forms periodically prescribed by Franchisor and participate and/or request Franchisee's customers to participate in any surveys performed by Franchisor or its designee; 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. Franchisor shall have the right, but not the obligation to conduct a mystery or secret shopper program (which may include call recording) as one means of inspecting and evaluating Franchisee's performance under this Agreement and complying with System standards. Franchisee shall participate in any mystery or secret shopper program and Franchisor may charge Franchisee a per Cafe visit fee to compensate for all costs related to the program or may pay for such service out of the Marketing Fund, in its discretion. Should Franchisee, for any reason, fail to correct any deficiencies within a reasonable time, as determined by Franchisor, Franchisor shall 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 time and expenses in so taking the corrective action (including, without limitation, any necessary re-inspection or requiring additional remedial training for Franchisee and its Personnel). If Franchisor conducts a compliance audit of the Café and deficiencies are found, Franchisee must also pay Franchisor its then-current fee and must also reimburse Franchisor for its reasonable costs and expenses incurred, including travel, lodging and out-of-pocket expenses for its personnel to conduct a reinspection. Any such program fees or fees for corrective action are payable by Franchisee immediately upon demand.

(7) To have on duty at the Cafe during all hours of operation the Operating Principal, Cafe Manager, or other qualified manager.

(8) To keep the Cafe open for business on the days and for at least the hours specified in Attachment C hereto and as may be further instructed by Franchisor.

(9) To operate the Cafe only as permitted by the Operations Manual and to not use it for any purpose other than to sell Paris Baguette products and services during only those days and times of permitted operation and to not rent out the Location or host any unapproved events or engage in any other business from the Location without Franchisor's express written consent.

F. Pricing. Franchisor reserves the right, to the fullest extent allowed by applicable law, to establish and/or recommend minimum, maximum, or other pricing requirements with respect to the prices that Franchisee may charge for products or services.

G. Computer Systems. Franchisee shall install and maintain the computer hardware and software (including, without limitation, point of sale software) Franchisor requires for the operation of the Cafe and shall follow the procedures related thereto that Franchisor specifies in the Manuals or otherwise in writing. Among other things, Franchisor may require that Franchisee install and maintain systems that permit Franchisor to access and retrieve electronically any information stored in Franchisee's computer systems, including, without limitation, information concerning Cafe Gross Sales, inventory and other sales data, at the times and in the manner that Franchisor may specify from time to time. Franchisor has independent access to this information and may share this information with third parties and/or System franchisees. Franchisor also may require Franchisee to enter into software license agreements in the form that Franchisor requires for software Franchisor develops or acquires for use in the System. All information contained in and collected by any such computer program (including, but not limited to, information pertaining to customers of the Cafe) shall be the sole and exclusive property of Franchisor.

H. Internet Website. Franchisee shall have and maintain adequate hardware and software in order to access the Internet at the bit speed required by Franchisor from time to time. Franchisee shall not establish any website or other listing on the Internet except as provided herein.

(1) Franchisor has established, or may establish, an Internet Website ("Website") that provides information in connection with the System and the products and services offered by Paris Baguette Cafes. Franchisor has sole discretion and control over the Website (including timing, design, contents and continuation). Franchisor may use part of the Marketing Fund monies it collects under this Agreement to pay or reimburse the costs associated with the development, maintenance and update of the Website.

(2) Franchisor may (but is not required to) include at the Website an interior page containing information in connection with Franchisee's Cafe ("Franchisee's Webpage"). If Franchisor includes such information on the Website, Franchisor may require Franchisee to prepare or have prepared, as directed by Franchisor, all or a portion of Franchisee's Webpage, at Franchisee's expense, using a template that Franchisor provides. All such information will be subject to Franchisor's approval prior to posting. Franchisee may offer and sell Cafe products and services which Franchisor has approved in writing only through Franchisee's Webpage solely in accordance with standards, protocols and restrictions that Franchisor includes in the Manual. Franchisee shall cease offering or selling Cafe products and services through Franchisee's Webpage, or otherwise through the Internet, immediately upon written notice from Franchisor, which notice Franchisor may provide at any time and for any or no reason.

(3) Franchisor also shall have the sole right (but no obligation) to develop an Intranet through which Franchisor and its franchisees can communicate by e-mail or similar electronic means. If Franchisor develops such an Intranet, Franchisee agrees to use the facilities of the Intranet in strict compliance with the standards, protocols and restrictions that Franchisor includes in the Manual (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).

I. Social Media. Neither Franchisee nor any Principal may, without the express written permission of Franchisor or in strict compliance with the Manual, (1) use any form of social media or application (including without limitation Facebook, LinkedIn, Twitter, Instagram, Foursquare, TikTok, YouTube, text service or text-related application or any web-based program, software, website or

application or virtual worlds, "Social Media") to promote its Cafe, or (2) use the Marks in relation to any Social Media.

J. Customer Complaints. Franchisee shall process and handle all consumer complaints connected with or relating to the Cafe, and shall promptly notify Franchisor of all: (1) safety or health violations, (2) claims exceeding One Thousand Dollars ($1,000), and (3) any other material claims against or losses suffered by Franchisee. Franchisee shall maintain any communications with governmental authorities affecting the Cafe during the term of this Agreement and for one (1) year after the expiration or earlier termination hereof.

K. Personnel Development. Franchisee must, in accordance with System standards and to the extent Franchisor designates from time to time, recruit, train and develop all employees, independent contractors, and any other personnel or staff as may be needed to properly operate the Cafe ("Personnel"). Franchisee understands and acknowledges that Franchisor is under no obligation or liability to any of Franchisee's Personnel for any remuneration, compensation, commission, employment or any other duty, responsibility, liability or obligation. Franchisee shall make all employment decisions relating to the Personnel and shall decide the compensation to be paid to Personnel. Franchisor will not be responsible for payment of any compensation to Franchisee or its Personnel. Franchisee shall maintain a competent, conscientious, trained staff and to take such steps as are necessary to ensure that its Personnel preserve good customer relations and comply with any dress code Franchisor may prescribe.

Section 8. MARKETING AND RELATED FEES

A. Promotional Programs.

(1) Franchisee shall participate in, and comply with the requirements of any gift card, gift certificate, customer loyalty or retention, or special promotional program that Franchisor implements for all or part of the Paris Baguette franchise system and shall sign the forms and take the other action that Franchisor requires for Franchisee to participate in such programs. Franchisee must honor all gift cards presented regardless of where or how the gift card was originally purchased. Franchisee may not create unapproved rewards or loyalty programs or promotions.

(2) In addition to the programs described in Section 8(A)(1), Franchisor may, from time to time, in its sole discretion, develop and administer marketing and sales promotion programs designed to promote all or certain groups of Paris Baguette Cafes operating under the System. Franchisee shall participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by Franchisor, including the use of any online ordering platforms. 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, shall be final and binding upon Franchisee.

B. Marketing Expenditures. During each calendar year throughout the term of this Agreement commencing upon the opening of the Cafe for business, Franchisee shall spend one percent (1%) of the Cafe's Gross Sales on local promotions as described in Section 8(C) (the "Local Marketing Requirement"), provided that Franchisee may spend in excess of one percent (1%) if it chooses. In addition to the Local Marketing Requirement, Franchisee must contribute a regular Marketing Fund Fee of up to three percent (3%) of the Cafe's weekly Gross Sales to the Marketing Fund described in Section 8(E). Upon written notice to Franchisee, Franchisor may vary the amount of the Local Marketing Requirement or the Marketing Fund Fee; provided that in no event will Franchisee's total required expenditures for marketing (including the Local Marketing Requirement and the Marketing Fund Fee) exceed four percent (4%) of the Cafe's

quarterly Gross Sales. Franchisor may alter the pay frequency and method at any time, upon two (2) weeks prior notice.

C. Local Marketing Requirement. Franchisee must spend the Local Marketing Requirement on advertising and marketing for Franchisee's Cafe in the local market area. Franchisor reserves the right to have Franchisee pay these monies to Franchisor or an agency designated by Franchisor, to spend on Franchisee's behalf. Within fifteen (15) days following the end of each calendar quarter, Franchisee shall submit a quarterly marketing expenditure report to Franchisor, accurately reflecting Franchisee's local advertising and marketing expenditures for the preceding quarter, which may include expenditures on digital ads, meta ads, POP, collateral, radio, newspapers, magazines, billboards, posters, banners, brochures, direct mail, advertising on public vehicles and other types of marketing designated in the Manual and approved by Franchisor in accordance with the provisions of this Agreement. If Franchisee fails to expend the required minimum amount for local promotions, then any amounts that Franchisee should have expended to fulfill the requirement must be contributed to the Marketing Fund at such times as Franchisor specifies, which is not Franchisor's exclusive remedy. At least sixty (60) days prior to the beginning of each semi-annual period, Franchisee shall submit a semi-annual marketing plan for such upcoming semi-annual period. Expenditures incurred for any of the following may not be included in Local Marketing expenditures for purposes of this Section 8(C), unless Franchisor first approves them in writing: (i) sponsorships, and (ii) donations.

D. Cooperatives. Franchisor has the right to designate any geographic area in which two (2) or more Company-Owned Cafes or franchised Paris Baguette Cafes are located as a region for purposes of establishing a marketing Cooperative. Franchisor has the sole right to form, change, merge and dissolve any Cooperative at any time. Cooperatives have no decision-making authority and will be organized and governed as and will begin operation on a date that Franchisor determines. Cooperatives will be organized for the exclusive purpose of administering marketing programs and developing promotional materials for local marketing and will be operated solely as a conduit for the collection and expenditure of marketing contributions. If a Cooperative is established for a geographic area that includes the Protected Area, Franchisee shall execute the Cooperative documents promptly upon Franchisor's request and participate as a member of the Cooperative. Among other things, this means that (1) Franchisee must submit to the Cooperative and to Franchisor all statements and reports that Franchisor or the Cooperative may require, and (2) Franchisee must contribute to the Cooperative the amounts required by the Cooperative's governing documents; provided that Franchisee's Cooperative contribution will be applied toward satisfaction of its Local Marketing Requirement.

E. Marketing Fund. Franchisor has established a Marketing Fund to fund advertising and marketing relating activities for the System. Franchisee must contribute a Marketing Fund Fee to the Marketing Fund as required under Section 8(B) at the time and in the manner that royalty payments are due under Sections 4(C) and 4(F) or such other time as determined by Franchisor. The Marketing Fund Fee as of the date of this Agreement is set forth on Attachment C of this Agreement, and may be modified as permitted hereunder. Franchisor or its designee will administer the Marketing Fund as follows:

(1) Franchisor will direct all marketing and promotional production programs and will have sole discretion to approve or disapprove the creative concepts, materials and media used in such programs.

(2) Franchisor and its Affiliates may, but are not required to, contribute to the Fund on the same basis as franchisees for any Paris Baguette Cafes they operate. Franchisor may, in its sole discretion, allow Paris Baguette Cafes operating in certain Reserved Areas to contribute less or differently to the Fund (whether the Paris Baguette Cafes are company-owned, affiliate-owned or franchisee-owned).

(3) Franchisor may use the Fund to satisfy any and all costs of maintaining, administering, directing, preparing, and producing advertising and marketing, including the cost of preparing and producing television, radio, magazine and newspaper advertising campaigns; the cost of direct mail and outdoor billboard advertising; the cost of public relations activities and advertising agencies; the cost of developing and maintaining an Internet website, mobile app, and supporting social media activities or activities in virtual worlds; the cost of designing promotional materials (which Franchisees may reproduce at their own cost); the cost of mystery shopper programs (which may include call recording); market research; talent fees; and personnel and other departmental costs for marketing and promotion that Franchisor internally administers or prepares. Though the Marketing Fund's purpose is to promote the Paris Baguette brand, Franchisor reserves the right to include "Franchises Available" or similar language along with its contact information on any promotional materials purchased through the Marketing Fund.

(4) The Fund will be operated solely as a conduit for collecting and spending marketing contributions for the System. Franchisee's contributions will not be used to defray any of Franchisor's general operating expenses, except for any reasonable administrative costs and overhead that Franchisor may incur in activities reasonably related to the administration or direction of the Fund. The Fund and its earnings will not otherwise inure to Franchisor's benefit.

(5) Franchisor will prepare an annual statement of the Fund's operations and will make it available to Franchisee upon request. In administering the Fund, Franchisor undertakes no obligation to make expenditures for Franchisee which is equivalent or proportionate to Franchisee's contribution or to ensure that any particular franchisee benefits directly or pro rata from the production of advertising.

(6) Franchisor may hold Marketing Funds in a separate account or in its general account but it will account for the Marketing Fund separately from its other funds and it 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 Marketing Fund and its programs, including, without limitation, conducting market surveys, preparing advertising, promotion and marketing materials and collecting and accounting for contributions to the Marketing Fund. Franchisor may spend, on behalf of the Marketing Fund, in any fiscal year an amount greater or less than the aggregate contribution of all Franchisees to the Marketing Fund in that year, and the Marketing Fund may borrow from Franchisor or others to cover deficits or invest any surplus for future use. Any interest earned on monies contributed to the Marketing Fund will be an asset of the Marketing Fund. Franchisor has the right to cause the Marketing Fund to be incorporated or operated through a separate entity when it deems appropriate, and such successor entity will have all of the rights and duties specified in this Agreement.

(7) Although the Fund is intended to be of perpetual duration, Franchisor may terminate it. Franchisor will not terminate the Fund, however, until all monies in the Fund have been spent for advertising or promotional purposes or returned to contributors, without interest, on a proportional basis to their respective contributions over twelve months prior to such termination.

(8) Any Marketing Fund amounts not used will be carried over from one quarter to the next.

F. Grand Opening. For a period of three (3) consecutive months, beginning one (1) month prior to the Opening Date, the Café must have a grand opening promotion in accordance with Franchisor's standards, including, without limitation, those related to the type and size of the grand opening promotion. Franchisee must use Franchisor's approved marketing items, methods and media in connection with such grand opening promotion. Franchisee must spend a minimum of Twelve Thousand Five Hundred Dollars ($12,500) on the Cafe's grand opening promotion, which is payable to Franchisor or its affiliate to use on

Franchisee's grand opening expenditures or to a third-party vendor approved by Franchisor. Amounts contributed by Franchisee for the grand opening promotion may be credited toward the Local Marketing Requirement described under Section 8(C) for the first quarter after the Opening Date.

G. Marketing Approvals. All advertising and promotion by Franchisee in any medium shall be conducted in a dignified manner and shall conform to Franchisor's standards and specifications. Franchisee must obtain all advertising and marketing materials used for the Cafe from franchisor or a supplier approved or designated by Franchisor, at Franchisor's option. Franchisee shall 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). The creative approval process, as it may be updated from time to time, can be found in Franchisor's Manuals.

H. Marketing Tests and Surveys. At Franchisor's sole discretion, Franchisor may require or mandate that Franchisee participate in certain marketing tests and surveys in accordance with all terms and specifications set forth in (1) the applicable contract or agreement governing such tests or survey arrangement and (2) the Manuals. All expenses and costs related to such tests or surveys will be paid by Franchisor, outside of product costs.

I. Advisory Council. Franchisor reserves the right to form a franchisee advisory council. Any advisory council created will act in an advisory capacity only and will not have decision making authority. Franchisor's decisions will be final, and it will have no liability to the advisory council or any franchisee with respect to any decision it makes. Franchisor will have the sole right to form, change, merge and dissolve any advisory council at any time. The membership of any advisory council may be determined in Franchisor's sole discretion and Franchisee has no right to sit on an advisory council. If Franchisee is chosen and agrees to participate on an advisory council, Franchisee will pay all costs and expenses incurred related to its participation, including travel, lodging and meals expenses for attending council meetings.

Section 9. MARKS

A. Right to Use the Marks. Franchisor grants Franchisee the right to use the Marks designated by Franchisor 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 or an Affiliate of 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 shall 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 shall 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) All goodwill arising from Franchisee's use of the Marks shall 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 shall be attributable to any goodwill associated with Franchisee's use of the Marks.

(4) Franchisee shall 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 shall constitute an infringement of Franchisor's or its Affiliates' rights in the Marks and a material event of default under this Agreement. Franchisee shall 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 shall 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 Paris Baguette Cafes 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.

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

(1) Operate and advertise the Cafe only under the name "Paris Baguette," without prefix or suffix, unless otherwise authorized or required by Franchisor. Franchisee shall not use the Marks as part of its corporate or other legal name.

(2) Identify itself as the owner of the Cafe in conjunction with any use of the Marks, including, but not limited to, uses on invoices, order forms, receipts and contracts, and shall display a notice in such content and form and at such conspicuous locations on the premises of the Cafe 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.

(5) Franchisee shall 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 shall 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"). If Franchisor provides Franchisee with an e-mail address, Franchisee must check that account regularly and use it for all electronic communications involving the Cafe. Franchisor owns all Paris Baguette e-mail addresses that Franchisee is permitted to use and has full access to all communications sent and received using any such address(s).

D. Infringement. Franchisee shall 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 shall 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 shall have complete discretion to take any action it or any Affiliate 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 agrees to execute all such instruments and documents, render such assistance, and do such acts or things as

may, in the opinion of Franchisor, be reasonably necessary or advisable to protect and maintain the interests of Franchisor or any Affiliate in the Marks.

E. Domain Names. Franchisee acknowledges that Franchisor or its Affiliate is the lawful, rightful and sole owner of the Internet domain names www.parisbaguette.com, www.parisbaguetteusa.com, and www.parisbaguettefamily.com, and any other Internet domain names registered by Franchisor or its Affiliates, and unconditionally disclaims any ownership interest in those or any colorably similar Internet domain name. Franchisee agrees not to register any Internet domain name in any class or category that contains words used in or similar to any brand name owned by Franchisor or its Affiliates or any abbreviation, acronym, phonetic variation or visual variation of those words.

Section 10. CONFIDENTIALITY AND NON-COMPETITION COVENANTS

A. Manuals. The Manuals shall be provided to Franchisee in any format Franchisor chooses. The Manuals are Franchisor's property and any print copies (if permitted or made available by Franchisor) shall be returned to Franchisor when this Agreement expires or is terminated for any reason. Franchisee and the Principals shall at all times treat the Manuals, and the information contained therein, as confidential and shall maintain such information as secret and confidential in accordance with this Section 10. Franchisee and the Principals shall 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 shall make the Manuals available only to those of Franchisee's Personnel who must have access to them in order to operate the Cafe. Franchisee shall, at all times, keep and maintain the Manuals in a secure place at the Cafe. 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 shall comply with the terms of all additions and modifications to the Manuals and shall keep the Manuals current. If there is a dispute in connection with the contents of the Manuals, the terms of the master copy at Franchisor's offices shall control. The entire contents of the Manuals, and Franchisor's mandatory specifications, procedures and rules prescribed from time to time shall constitute provisions of this Agreement as if they were set forth herein.

B. Confidentiality. Neither Franchisee, any Principal, nor any Affiliate of Franchisee shall, during the term of this Agreement and following the termination or expiration of this Agreement, disclose, communicate or divulge to any other person, persons, partnership, limited liability company, corporation or other entity or association, or use for any purpose other than the development and operation of the Cafe as set forth in this Agreement, any Confidential Information. Franchisee and each of the Principals shall disclose such Confidential Information only to those Personnel of Franchisee or Franchisee's Affiliates who must have access to it in connection with their employment. Any disclosure or use of such Confidential Information by any employee, Principal or agent of Franchisee contrary to the terms of this provision shall be a breach by Franchisee of this provision. Franchisee and the Principals shall be liable to Franchisor for the actions of anyone to whom Franchisee provides access to the Confidential Information. Neither Franchisee nor the Principals shall at any time, without Franchisor's prior written consent, copy, duplicate, record or otherwise reproduce such Confidential Information, in whole or in part, or otherwise make the same available to any unauthorized person and any such Confidential Information must be returned to Franchisor upon its request. The covenant in this Section shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon Franchisee, Franchisee's Affiliates and each of the Principals.

C. Non-competition 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 production, 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 shall, 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, employee, agent, representative, contractor, or customer of the Café 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 Cafes operated under valid franchise agreements with Franchisor, own, maintain, operate, engage in, be employed by, have any financial or beneficial interest in, advise, consult with, assist or make loans to, any business that is a Competing Business located within the United States, its territories or commonwealths, or any other country, province, state or geographic area in which Franchisor or an Affiliate of 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 (a) the expiration or termination of, or transfer of all of Franchisee's interest in, this Agreement or (b) 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 shall, 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 Café 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 Paris Baguette Cafes operated under valid agreements with Franchisor, own, maintain, operate, engage in, be employed by, have any financial or beneficial interest in, advise, consult with, assist or make loans to, any Competing Business that is, or is intended to be, located (a) at the Location, (b) within the Protected Area, or (c) within a ten (10)-mile radius of the location of any Paris Baguette Cafe then in existence or under construction.

(c) Interfere with any relationship or contractual arrangement with any supplier or service provider to Franchisor, any Affiliate of Franchisor or any Cafe.

(3) The parties agree 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 other business interests of Franchisor. Each such covenant shall 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 or arbitrator having valid jurisdiction in an unappealed final decision to which Franchisor is a party, such court or

arbitrator shall have the power to reduce the duration or scope of such provision, as the case may be, and, in its reduced form, such provision shall then be enforceable and Franchisee and the 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).

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

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

D. Non-Disparagement. Franchisee and the Principals agree not to take any action or make any statement the effect of which would be to directly or indirectly materially impair the goodwill or rights of Franchisor to its intellectual property or the goodwill of its Affiliates, or be materially detrimental to Franchisor, its Affiliates or franchisees, including, but not limited to any action or statement intended, directly or indirectly, to benefit any of Franchisor's, its Affiliates' or franchisees' competitors. This provision survives forever.

E. Injunctive Relief. Franchisee and the Principals acknowledge that any failure to comply with the requirements of this Section 10 shall 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 the Principals accordingly consent to the issuance of an injunction prohibiting any conduct by them in violation of the terms of this Section 10, without the requirement that Franchisor post a bond or prove actual damages. Franchisee and the Principals agree to pay all court costs and reasonable attorneys' fees and costs incurred by Franchisor in connection with the enforcement of this Section 10, including all costs and expenses for obtaining specific performance, or an injunction against the violation, of the requirements of such Section, or any part thereof.

F. New Developments. If Franchisee, its Personnel, or Principals develop any new concept, process or improvement in the operation or promotion of the Cafe, Franchisee shall promptly notify Franchisor and provide Franchisor with all necessary related information, without compensation. Any such concept, process or improvement shall become Franchisor's sole property and Franchisor shall be the sole owner of all patents, patent applications, and other intellectual property rights related thereto. Franchisee and its Principals hereby assign to Franchisor, or if Franchisor so directs, any Affiliate, which Franchisor may specify in writing to the Franchisee, any rights Franchisee and its Principals may have or acquire therein, including the right to modify such concept, process or improvement, and otherwise waive and/or release all rights of restraint and moral rights therein and thereto. Franchisee and its Principals agree to assist Franchisor or its Affiliates in obtaining and enforcing the intellectual property rights to any such concept, process or improvement in any and all countries and further agree to execute and provide Franchisor or its Affiliates with all necessary documentation for obtaining and enforcing such rights. Franchisee and its Principals hereby irrevocably designate and appoint Franchisor as its 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 concept, process or improvement. In the event that the foregoing provisions of this Section 10(F) are found to be invalid or otherwise unenforceable, Franchisee and its Principals hereby grant to Franchisor or if Franchisor so directs, any Affiliate which Franchisor may specify in writing to the Franchisee, a worldwide, perpetual, non-exclusive, fully-paid license to use and sublicense the use of the concept, process or improvement to the

extent such use or sublicense would, absent this Agreement, directly or indirectly infringe their rights therein.

Section 11. BOOKS AND RECORDS

A. Maintenance Requirement. Franchisee shall 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 shall preserve for at least five (5) years from the date of preparation, full, complete and accurate books, records and accounts of the Cafe, 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, 6, and 8 hereof, Franchisee shall comply with the following reporting obligations:

(1) Franchisee shall, at Franchisee's expense, submit to Franchisor, in the form prescribed by Franchisor, Franchisee's monthly balance sheet and profit and loss statement (which may be unaudited) within fifteen (15) days after the end of each month during the term hereof. Each such statement shall be signed by Franchisee's treasurer, chief financial officer or comparable officer attesting that it is true, complete and correct.

(2) Franchisee shall, 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 certified public accountant satisfactory to Franchisor and showing the results of Franchisee's operations during such fiscal year.

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

(4) Franchisee also shall 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 shall have the right at all reasonable times to review, audit, examine and copy the books and records of Franchisee at the Cafe. If an audit is necessitated by Franchisee's failure to disclose records in accordance with this Agreement or maintain financial records in accordance with this Agreement and commonly-accepted industry standards or if any audit should reveal that such payments have been understated in any report to Franchisor, then Franchisee shall immediately pay to Franchisor the amount overdue or understated upon demand with interest determined in accordance with Section 4(C) and Franchisee shall, 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 shall 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) shall 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 shall immediately correct the error and make the appropriate payment to Franchisor.

E. Authorization to Release Information. Franchisee hereby authorizes (and agrees to execute any other documents deemed necessary to impact 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 Cafe, 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.

Section 12. INSURANCE

A. Insurance Coverage Requirements. Not later than sixty (60) days prior to the Opening Date, Franchisee shall procure and shall 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 Cafe. Such policy or policies shall be written by a responsible carrier or carriers rated "A" or better by the A.M. Best Company, Inc. and otherwise acceptable to Franchisor and shall include, all insurances and amounts required by Franchisor in the Manuals or otherwise, and as may be amended from time to time. Franchisor's, current minimum requirements are as follows:

(1) Comprehensive general liability insurance, including broad form contractual liability, broad form property damage, personal injury, advertising injury, liquor liability (if there is a liquor license), completed operations, products liability and fire damage coverage, in the amount of One Million Dollars ($1,000,000) each occurrence, Two Million Dollars ($2,000,000) general aggregate, or such greater amount as Franchisee's lessor may require.

(2) "Causes of Loss: Special Form" coverage for the full replacement cost of the Business Personal Property and Improvements and Betterments (as such terms are generally defined in the "Causes of Loss: Special Form" policy) of the Cafe premises and all other property in which Franchisor may have an interest with no coinsurance clause for the premises or agreed value basis. Such limit shall not be less than the build-out cost, plus the Business Personal Property, plus Inventory. Coverage for Equipment Breakdown and Spoilage must be included.

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

(4) An "umbrella" policy providing excess coverage with limits of not less than Four Million Dollars ($4,000,000) each occurrence and Four Million Dollars ($4,000,000) in the aggregate, which must be excess to the general liability and automobile liability coverage required herein.

(5) Business Income/Interruption insurance providing for continued payment of all amounts due or to become due to Franchisor under this Agreement. Such business interruption insurance shall be written on a Special Causes of Loss form, either as an endorsement to the policies described in (1) and (2) above or on a separate policy. Coverage for Business Income/Interruption shall be provided for a

minimum of twelve (12) months, with a minimum of thirty (30) days of Extended Business Income coverage.

(6) Employment Practices Liability Insurance coverage in amounts not less than One Million Dollars ($1,000,000).

(7) Worker's compensation insurance in amounts required by applicable law.

(8) Disability insurance, as required by law.

(9) Cybersecurity insurance in an amount of not less than $100,000 per location ($0 deductible).

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

B. Deductibles; Waiver of Subrogation. Except as noted, Franchisee may elect to have reasonable deductibles in connection with the coverage required under Sections 12(A)(1) -(10) hereof not to exceed $10,000 per occurrence. Such policies shall 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 Cafe, Franchisee shall 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 shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of that obligation relieve it of liability under the indemnity provisions set forth in Section 15 of this Agreement.

E. Additional Insured Designation. All insurance policies required hereunder, with the exception of workers' compensation, shall 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 under a separate endorsement using ISO form CG2029 or an equivalent endorsement (no blanket additional insured language is acceptable) and shall expressly provide that their interest shall not be affected by Franchisee's breach of any policy provisions. All public liability and property damage policies shall 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, shall nevertheless be entitled to recover under such policies on any loss occasioned to them by reason of the negligence of Franchisee or its servants, agents or employees. Where a claim is made against Franchisor and any of additional insureds affiliated with Franchisor, whether they are entities or individuals, Franchisee must pay, and is responsible for the entire amount of, any applicable deductible or retention for such additional insured(s) in connection with that claim.

F. Certificates of Insurance. Upon execution of this Agreement, and thereafter thirty (30) days prior to the expiration of any policy required hereunder, Franchisee shall deliver to Franchisor certificates of insurance evidencing the existence and continuation of proper coverage with limits not less than those required hereunder along with all endorsements and declarations pages evidencing Franchisor's

rights as an Additional Insured. In addition, if requested by Franchisor, Franchisee shall deliver to Franchisor a copy of the insurance policy or policies required hereunder. All insurance policies required hereunder shall expressly provide that no less than thirty (30) days prior written notice shall be given to Franchisor in the event of a material alteration to or cancellation of the policies.

G. Remedies. Should Franchisee fail to timely procure or maintain the insurance required by this Agreement, Franchisor shall 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 Franchisor's out of pocket costs and expenses for so acting. Such amounts shall be payable by Franchisee immediately upon notice. The foregoing remedies shall be in addition to any other remedies Franchisor may have at law or in equity.

Section 13. DEBTS AND TAXES

A. Payment of Taxes and Other Obligations. Franchisee shall 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. In addition, and without limiting the provisions of Section 15, Franchisee shall be solely liable for the payment of all Taxes and shall 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 shall be made free and clear and without deduction for any Taxes, except as otherwise expressly provided herein.

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 shall 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 Café 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. Franchisee agrees to promptly pay when due all amounts owed by Franchisee to Franchisor, its Affiliates, and other suppliers.

E. Notice of Adverse Orders. Franchisee shall 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.

Section 14. TRANSFER

A. By Franchisor. Franchisor shall 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 shall 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, commitment to the System, and personal character of Franchisee and the Principals. Accordingly, neither Franchisee nor any Principal, nor any successor or assignee of Franchisee or any Principal, shall sell, assign, transfer, convey, merge, give away, pledge, mortgage or otherwise dispose of, change, or encumber any direct or indirect interest in this Agreement, in the Cafe or in Franchisee (including any ownership restructuring of Franchisee or of any owners of Franchisee), whether or not such sale, assignment, transfer, conveyance, merger, gift, pledge, mortgage, disposition, change, or encumbrance constitutes a transfer or assignment under applicable law, without the prior written consent of Franchisor. Franchisee shall have no right to transfer its interest in the Cafe or this Agreement, if Franchisee has owned and operated the Cafe for less than twenty-four (24) months. If, after twenty-four (24) months of ownership, Franchisee wishes to transfer all or part of its interest in the Cafe or this Agreement, or if Franchisee or a Principal wishes to transfer any ownership interest in Franchisee (including any ownership restructuring of Franchisee or of any owners of Franchisee), transferor and the proposed transferee shall apply to Franchisor for its consent. Franchisor shall not unreasonably withhold its consent to a transfer of any interest in Franchisee, in the Cafe or in this Agreement but may require any or all of the following as conditions of its consent, including entering into a Consent to Transfer Agreement in a form acceptable to Franchisor, a sample of which is attached hereto as Attachment J:

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

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

(3) The transferor and its Principals shall have executed a general release, in a form satisfactory to Franchisor, a sample of which is attached hereto as Attachment I, 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 and any other agreement with Franchisor or its Affiliates, and to the extent permitted under federal, state or local laws, rules, and regulations or orders;

(4) The transferee shall demonstrate to Franchisor's satisfaction that it meets Franchisor's then-current strategic, tactical, financial and operational qualifications, and, at the transferee's expense, its Operating Principal, Cafe Manager, and any other Personnel required by Franchisor shall complete any training programs then in effect for Paris Baguette Cafes upon such terms and conditions as Franchisor may reasonably require and for the fee then charged by Franchisor;

(5) The transferee shall, at its expense and within the time reasonably required by Franchisor, renovate, modernize and otherwise upgrade the Cafe to conform to the then-current System image, standards and specifications, including but not limited to the transferor's obligation to refresh and remodel the Café as well as conduct a grand re-opening campaign;

(6) The Principals of the transferee shall 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;

(7) The transferee shall execute Franchisor's then-current form of franchise agreement, however Franchisor may choose, in its discretion, to have the term end on the same date as this Agreement. The new franchise agreement shall supersede this Agreement in all respects and its terms may differ from the terms of this Agreement, including higher fees, but the transferee shall not be required to pay an Initial Franchise Fee, provided Franchisor may, at its option, choose to allow continuation of the existing franchise agreement under an assignment;

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

(9) Franchisee shall use an escrow service to pay Franchisor a transfer fee equal to Forty Thousand Dollars ($40,000) per transfer (the "Transfer Fee") and shall reimburse Franchisor for its reasonable costs and expenses associated with the transfer, including, without limitation, training costs, legal and accounting fees and costs and escrow service fees; provided, that Franchisee shall not be obligated to pay the Transfer Fee upon a transfer resulting from the death or permanent disability (as defined in Section 14(E)) of a Principal only, though Franchisee shall be required to reimburse Franchisor's reasonable costs and expenses in such instances including any escrow service fees.

(10) Franchisee shall provide evidence satisfactory to Franchisor that all representations, warranties and covenants in Section 6 are true and correct as of the date of the transfer.

(11) 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 shall have the right and option (but no obligation) to be substituted as obligor to the secured party and to cure any default of Franchisee.

(12) The transferee has acquired the right to assume the lease for the Location.

C. Transfer for Convenience of Ownership. If the proposed transfer is a one time transfer 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) shall not apply, and the fee provided for in Section 14(B)(9) shall be equal to Franchisor's reasonable out-of-pocket costs and expenses (including legal and accounting fees and costs associated with reviewing the application to transfer). In order for a transfer to satisfy the conditions of a Transfer for Convenience of Ownership, Franchisee shall be the 100% owner of all the voting stock or ownership interests in the new entity, or, if Franchisee is more than one individual, each individual shall have the same proportionate ownership interest in the new entity as he or she had in Franchisee prior to the transfer, otherwise the transfer may be considered a regular transfer under Section 14(B). Franchisee and the Assignee shall be required to enter into an Assignment and Assumption Agreement in a form acceptable to Franchisor, a sample of which is attached hereto as Attachment K.

D. Right of First Refusal. If Franchisee or a Principal wishes to transfer or assign any interest in this Agreement, the Cafe, or Franchisee, pursuant to any bona fide offer received from a third party to purchase such interest, then such proposed seller shall promptly notify Franchisor in writing of the offer, and shall provide such information and documentation relating to the offer as Franchisor may require. Franchisor shall have the right and option, exercisable within sixty (60) 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 shall 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 shall be determined by two (2) appraisers. Each party shall select one (1) appraiser and the average of the appraisers' determinations shall be binding. Each party shall bear its own legal and other costs and shall share the appraisal fees equally. If Franchisor exercises its right of first refusal, it shall 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 shall constitute a new offer subject to the same right of first refusal as an initial offer. Franchisor's failure to exercise the option afforded by this Section 14(D) shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of Section 14(B).

E. Death or Permanent Disability. Franchisee or its representative shall promptly notify Franchisor of any death or claim of permanent disability subject to this Section 14(E). Any transfer upon death or permanent disability shall be subject to the following conditions, as well as to the conditions described in Section 14(B) for any inter vivos transfer; provided, that the fee provided for in Section 14(B)(9) shall be equal to Franchisor's reasonable out-of-pocket costs and expenses (including legal and accounting fees and costs associated with reviewing the application to transfer).

(1) Upon the death of any Principal who is a natural person (the "Deceased"), the executor, administrator or other personal representative of the Deceased shall 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 shall 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 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" shall 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 shall 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 shall 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 shall be paid by Franchisor.

(3) Upon the death or disability of any Principal or the Operating Principal and pending the appointment of an Operating Principal or if, in Franchisor's sole but reasonable judgment, the Cafe is not being managed properly, then Franchisor has the right, but not the obligation, to appoint a manager for the Cafe. All funds from the operation of the Cafe during the management by Franchisor's appointed manager will be kept in a separate account, and all expenses of the Cafe, including compensation, other costs and travel and living expenses of Franchisor's manager, will be charged to this account as well as all monies due under this Agreement. Franchisor also has the right to charge its then-current management fee during the period that the Franchisor's appointed manager operates the Cafe. Operation of the Cafe

during any such period will be on Franchisee's behalf and Franchisor only has a duty to utilize commercially reasonable efforts and will not be liable to Franchisee or any of its Principals for any debts, losses or obligations incurred by the Cafe or to any of Franchisee's creditors for any products, materials, supplies or services the Cafe purchases during any period it is managed by the Franchisor's appointed manager. If Franchisor incurs legal fees in connection with the operation of the Café, Franchisee shall be responsible for the payment of same.

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 shall 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 shall be limited solely to the subject of the relationship between Franchisee and Franchisor. No offering shall 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. Franchisor disclaims any responsibility for reviewing the offering materials for compliance with applicable securities laws. 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. For each proposed offering, Franchisee shall pay Franchisor's then-current non-refundable fee and shall reimburse Franchisor for its reasonable costs and expenses (including, without limitation, legal and accounting fees and costs) associated with reviewing the offering materials.

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

Section 15. INDEMNIFICATION

A. Indemnity. Franchisee and each of the Principals shall, at all times, defend, indemnify and hold harmless to the fullest extent permitted by law Franchisor, its Affiliates, successors and assigns and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees of each of them (collectively, the "Indemnitees"), from all Losses and Expenses, defined below, incurred in connection with any action, suit, proceeding, claim, demand, investigation or inquiry (formal or informal), or any settlement thereof (whether or not a formal proceeding or action has been instituted) which arises out of or relates to this Agreement in any way or which arises out of or is based upon any of the following:

(1) The infringement, alleged infringement, or any other violation or alleged violation by Franchisee or any of the Principals of any patent, mark or copyright or other proprietary right owned or controlled by third parties or any misuse of the Marks in violation of this Agreement or related agreements; provided, however, that, in the event an infringement claim is brought by a third party against Franchisee under the theory that the patents, marks, copyrights or other proprietary rights licensed hereunder by Franchisor to Franchisee violate the rights of such third party, then, to the extent and only to the extent of such third party claims of infringement (a "Franchisor IP Infringement Claim"), Franchisor shall indemnify and hold harmless Franchisee and each of the Principals from all Losses and Expenses incurred in connection with any action, suit, proceeding, claim, demand, inquiry, or investigation that solely arises out of or is solely based upon a Franchisor IP Infringement Claim, provided Franchisee's or any of the

Principals' use of the Marks has been consistent with this Agreement, the Manuals, and the Franchisor's System standards and Franchisee has timely notified Franchisor of, and complies with Franchisor's directions in responding to, the Franchisor IP Infringement Claim (a "Franchisor IP Indemnity Obligation");

(2) The violation, breach or asserted violation or breach by Franchisee or any of the Principals of any federal, state or local law, regulation, ruling, standard or directive or any industry standard;

(3) Libel, slander or any other form of defamation of the Indemnitees, the System or any franchisee or area developer operating under the System, by Franchisee or by any of the Principals;

(4) Franchisee's obligation to pay its Personnel any compensation or remuneration, damages or claims or otherwise relating to any employment relationship, specifically including any claim of joint employer liability with Franchisor;

(5) The violation or breach by Franchisee or by any of the Principals of any warranty, representation, agreement, covenant, or obligation in this Agreement or in any other agreement with Franchisor or any of its Affiliates; and

(6) Acts, errors, or omissions of Franchisee, any of Franchisee's Affiliates, any of the Principals and the respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors, and employees of any of them in connection with the establishment and operation of the Cafe including, but not limited to, any acts, errors or omissions of any of the foregoing in the operation of any motor vehicle.

B. Defense of Claim. Franchisor agrees to give Franchisee and each of the Principals reasonable notice of any such action, suit, proceeding, claim, demand, inquiry, or investigation. Franchisee also agrees to promptly notify Franchisor in the event it becomes aware of any third party or indemnifiable claim. At the full and complete expense and risk of Franchisee and each of the Principals (except in the case of a Franchisor IP Indemnity Obligation, in which case Franchisor shall bear the expense to the extent of defending the applicable and specific claims of infringement), Franchisor may elect to assume control of the defense (but under no circumstance is Franchisor obligated to so undertake, except in the case of a Franchisor IP Indemnity Obligation, in which case Franchisor shall be obligated to undertake the defense and/or settlement) and appoint counsel of its own choosing with respect to the defense and/or settlement of any such action, suit, proceeding, claim, demand, inquiry or investigation in order to protect the interest of Indemnitees, the System and Franchisor and its Affiliates, provided that any settlement of the claim shall not be subject to Franchisee's consent, unless a settlement is in excess of $100,000, and in that event, Franchisee's consent may not be unreasonably withheld or delayed (except in the case of a Franchisor IP Indemnity Obligation, which Franchisor may settle without Franchisee's consent regardless of the amount in issue). Such an undertaking by Franchisor shall, in no manner or form, diminish the obligation of Franchisee and each of the Principals to defend and indemnify the Indemnitees and to hold them harmless. To the extent Franchisor elects to have Franchisee provide a defense, in the settlement of any matter hereunder, in no event shall Franchisee be permitted to admit fault on behalf of any Indemnitees nor to agree to any provision that places any obligations or restrictions on any Indemnitees (including the payment of any money by any Indemnitee or on an Indemnitee's behalf) without the Indemnitee's express written consent.

C. Remedial Action. In order to protect persons or property, or its reputation or goodwill, or the reputation or goodwill of others, Franchisor may, at any time and without notice, as it, in its judgment deems appropriate, consent or agree to settlements or take such other remedial or corrective action as it

deems expedient with respect to the action, suit, proceeding, claim, demand, inquiry or investigation if, in Franchisor's sole judgment, there are reasonable grounds to believe that:

(1) any of the acts or circumstances enumerated in Section 15(A)(1) -(5) above has occurred; or

(2) any act, error, or omission as described in Section 15(A)(6) may result directly or indirectly in damage, injury, or harm to any person or any property.

D. Losses and Expenses. All Losses and Expenses incurred under this Section 15 shall be chargeable to and paid by Franchisee or any of the Principals pursuant to its obligations of defense and indemnity under this Section, regardless of any action, activity or defense undertaken by Franchisor or the subsequent success or failure of such action, activity, or defense (except in the case of a Franchisor IP Indemnity Obligation, in which case the Losses and Expenses incurred solely due to a Franchisor IP Infringement Claim shall be paid by Franchisor). As used in this Section 15, the phrase "Losses and Expenses" shall include, without limitation, all losses, compensatory, exemplary or punitive damages, fines, charges, costs, expenses, lost profits, reasonable attorneys' fees and costs, court costs, settlement amounts, judgments, compensation for damages to the Franchisor's reputation and goodwill, costs of or resulting from delays, financing costs, costs of marketing material and media time/space and costs of changing, substituting or replacing the same, any and all expenses of recall, refunds, compensation, and public notices and all other payments of money incurred in connection with the matters described.

E. Contributory Negligence. The Indemnitees do not assume any liability for acts, errors or omissions of those with whom Franchisee or the Principals may contract, regardless of the purpose. Franchisee and the Principals shall defend, hold harmless and indemnify the Indemnitees as set forth herein without limitation and without regard to the cause or causes thereof or the negligence (whether such negligence be gross, sole, joint or concurrent, or active or passive) or strict liability of Franchisor or any other party or parties arising in connection therewith, including, without limitation, the other Indemnitees.

F. No Duty to Mitigate; Survival of Obligations. Under no circumstances shall Indemnitees be required or obligated to seek recovery from third parties or otherwise mitigate its losses in order to maintain a claim for indemnity and defense against Franchisee, and the failure of any Indemnitees to pursue such recovery or mitigate such loss will in no way reduce the amounts recoverable by any Indemnitees from Franchisee. Franchisee and the Principals expressly agree that the terms of this Section 15 shall survive the termination, expiration or transfer of this Agreement or any interest herein.

Section 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 shall be 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 shall hold itself out to the public as an independent contractor conducting its Cafe operations pursuant to the rights granted by Franchisor. Franchisee agrees to provide notice of its status as an independent contractor in the Cafe, on forms and stationery, and in all other locations in which third parties may be misled into believing that Franchisee is not an independent contractor of Franchisor.

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 shall 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.

Section 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 shall be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to Franchisee, if Franchisee or any Principal shall become insolvent or makes a general assignment for the benefit of creditors; or if Franchisee or any Principal 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 or any Principal under any such laws and is not dismissed within sixty (60) days after it is filed; or 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; 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 thirty (30) days or longer or if Franchisee is dissolved; or if execution is levied against Franchisee's business or property; or if judicial, non-judicial or administrative proceedings to foreclose any lien or mortgage against the Cafe premises or equipment is instituted against Franchisee and not dismissed within thirty (30) days; or if the real or personal property of Franchisee's Cafe shall be sold after levy thereupon by any sheriff, marshal or constable.

C. Termination on Notice; No Cure. Franchisee shall 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 Cafe or sells any products or services authorized by Franchisor for sale at the Cafe at a location other than the Location or through any means of distribution or sale other than from the Location, provided Franchisee may deliver products and provide catering and delivery services to the extent permitted by this Agreement or the Manual.

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

(3) If Franchisee fails to construct the Cafe in accordance with Franchisor's prototypical plans, as adapted in accordance with Section 2 and the Site Addendum hereto.

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

(5) If Franchisee at any time ceases to operate or otherwise abandons the Cafe, or an action in eviction or unlawful detainer is commenced against Franchisee, or Franchisee loses the right to possess the premises, or otherwise forfeits the right to do or transact business in the jurisdiction where the Cafe is located.

(6) If Franchisee or any of the Principals is convicted of, or has entered a plea of nolo contendere to, a felony, 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 Cafe.

(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 Cafe 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 or their spouses discloses or divulges any Confidential Information.

(10) If Franchisee knowingly maintains false books or records, or submits any false reports to Franchisor, or understates its Gross Sales by 2% or more twice in any time period.

(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.

(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 makes three (3) or more late payments or has three (3) or more incidences of insufficient funds in any twelve (12) month period whether or not cured by Franchisee.

(14) If Franchisor issues (3) or more written notices to cure in any twelve (12) month period, whether of the same or different nature and whether or not such incidences of non-compliance have been cured by Franchisee after notice by Franchisor.

(15) If Franchisee or any Principals use or disclose Franchisor's Marks or IP in an unauthorized manner.

(16) If Franchisee or its Principals violate any law, regulation, order.

(17) If Franchisee fails to open the Cafe during the days and hours required.

(18) If Franchisee fails to keep exclusive possession of the Cafe premises.

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, Franchisor may terminate this Agreement by giving Franchisee written notice of termination stating the nature of the default and the time 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 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 shall 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 seven (7) days following notice from Franchisor.

(2) 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 ten (10) days after being requested to do so by Franchisor and fails to cure such default within thirty (30) days following notice from Franchisor.

(3) If Franchisee fails, refuses, or neglects promptly to pay any monies owed to Franchisor, any of its Affiliates or its Cooperative, if any, when due 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.

(4) If Franchisee fails to maintain or observe any of the standards, specifications or procedures prescribed by Franchisor in this Agreement, the Manuals or otherwise in writing, and fails to cure such default within thirty (30) days following notice from Franchisor, including without limitation those set forth in Section 7 of this Agreement.

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

(6) If Franchisee fails to designate a qualified replacement Operating Principal or Cafe Manager within thirty (30) days after any initial or successor Operating Principal or Cafe Manager ceases to serve, provided however that Franchisee must still ensure proper supervision of operations during said cure period.

E. Rights upon Default.

(1) If Franchisor determines in its sole judgment that the operation of the Cafe is in jeopardy, or if Franchisee is in default under this Agreement, then in order to prevent an interruption of the Cafe which would cause harm to the System and thereby lessen its value, Franchisee authorizes Franchisor to operate the Cafe for as long as Franchisor deems necessary and practical, and without waiver of any other rights or remedies which Franchisor may have under this Agreement ("Step-In Rights"). Franchisor shall keep in a separate account all monies generated by the operation of the Cafe, less the expenses of the Cafe, including Franchisor's then-current management fee. In the event of the exercise of the Step-In Rights by Franchisor, Franchisee agrees to hold harmless Franchisor and its representatives for all actions occurring during the course of such temporary operation. Franchisee agrees to pay all of Franchisor's reasonable attorneys' fees and costs incurred as a consequence of Franchisor's exercise of Franchisor's Step-In Rights.

(2) If Franchisor believes, in its sole discretion, that any default committed by Franchisee has the potential to damage the Paris Baguette name or is a threat to (a) the health and safety of Franchisee's customers or (b) the quality of the products sold by Franchisee, then Franchisor shall have the right to direct any Affiliates or third parties supplying ingredients, raw materials, products or goods to

Franchisee to cease such supply until such time that Franchisor determines Franchisee is no longer a threat to the health or safety of its customers, the quality of the products or the System or Marks. Franchisee agrees that this right is necessary to protect the quality of the products and the Paris Baguette brand and it shall have no claim against Franchisor for tortious interference with contractual or business relations or any similar cause of action or claim.

(3) Nothing contained herein shall prevent Franchisor from exercising any other right which it may have under this Agreement, including, without limitation, termination.

F. Termination By Franchisee. Franchisee must give Franchisor ninety (90) days' written notice to cure any default of Franchisor within sixty (60) days of the event or circumstances giving rise to the breach and Franchisee must be in material compliance. If Franchisor fails to cure any material breach within the ninety (90) day cure period, Franchisee may terminate for that reason by written notice, except if the breach is not susceptible to cure within ninety (90) days, but Franchisor takes action within ninety (90) days to begin curing the breach and acts diligently to complete the corrective action within a reasonable time, Franchisor will be deemed to have timely cured the breach.

Section 18. POST-TERMINATION

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

(1) Immediately cease to operate the Cafe under this Agreement, and shall 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 shall cease to use all signs, marketing 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 "Paris Baguette" or any other Mark, and furnish Franchisor with satisfactory evidence of compliance within five (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 or its Affiliates' rights in and to the Marks, nor shall 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 all sums owing to Franchisor and its Affiliates, and all damages, costs and expenses, including reasonable 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 shall give rise to and remain a lien in favor of Franchisor against any and all assets of Franchisee and its Principals, until such obligations are paid in full.

(6) Immediately deliver to Franchisor all Manuals, records, files, instructions, correspondence, Software Programs, and other materials related to the operation of the Cafe 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 with the post-termination noncompetition covenants, 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 marketing and sales promotion materials bearing the Marks, whether located at the Cafe or at any other location under Franchisee's control. Franchisor shall have the right to inspect these materials and the option, exercisable within thirty (30) days after such inspection, to purchase any or all of the materials at Franchisee's original purchase cost. Materials not purchased by Franchisor shall 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 Cafe or for any equipment used in the operation of the Cafe. Franchisor may exercise such option at or within thirty (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 shall 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 Cafe premises, Franchisee shall make such modifications or alterations to the premises as are necessary to distinguish the appearance of the Cafe from that of other Paris Baguette Cafes, and, if Franchisee fails or refuses to do so, Franchisor shall 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 and any related Yellow Pages trademark listings, and all rights to any Website listings or services, search engines or systems, administrative rights to any Social Media (and shall disclose all passwords relating thereto) and any other business listings related to the Cafe, and execute all forms and documents required by Franchisor and any applicable third party service provider to transfer such services, numbers, and/or listings to Franchisor. Franchisee shall thereafter use different telephone numbers, Website listings, and other business listings at or in connection with any subsequent business conducted by Franchisee. Franchisee must sign Franchisor's Telephone, Internet Websites, and Listings Agreement, the current form of which is attached hereto as Attachment H.

B. Additional Franchisor Options. In addition to its options under Sections 18(A)(8),(9) and (10), Franchisor shall have the following options, to be exercised within thirty (30) days after termination or expiration of this Agreement:

(1) Franchisor shall have the option to purchase from Franchisee any or all of the furnishings, equipment, signs, fixtures, supplies, materials and other assets related to the operation of the Cafe, at fair market value. In addition, if Franchisee owns the land upon which the Cafe is located, Franchisor shall have the further option to purchase the land, including any building on the land used for the operation of the Cafe, 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 Cafe.

(2) With respect to Franchisor's options under Section 18(B)(1), Franchisor shall purchase assets only and shall 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 thirty (30) days of Franchisor's exercise of its option, fair market value shall be determined by two (2) appraisers. Each party shall select one (1) appraiser, and the average of the determinations of the two (2) appraisers shall be binding. In the event of an appraisal, each party shall bear its own legal and other costs and shall divide the appraisal fees equally. The purchase price shall be paid in cash; provided, that Franchisor shall 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 shall occur not later than thirty (30) days after the purchase price is determined, unless the parties mutually agree to designate another date. At closing, Franchisee shall 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 shall take place at Franchisor's corporate offices or at such other location as the parties may agree.

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

D. Liquidated Damages. Franchisee acknowledges and agrees that if Franchisor terminates this Agreement due to a default by Franchisee under this Agreement or if Franchisee terminates this Agreement without cause or otherwise abandons its Cafe, Franchisor will incur damages, the actual amount of which would be speculative and difficult to calculate. As such, Franchisee agrees to pay Franchisor, within fifteen (15) days after the effective date of such termination or abandonment, in addition to all other amounts then owed to Franchisor under the Agreement, the agreed upon liquidated damages amount equal to the average monthly Royalty Fee, and Marketing Fund contribution Franchisee owed during the twelve (12) months of operation preceding the effective date of termination or abandonment multiplied by the lesser of (a) twenty- four (24) (being the number of months in two (2) full years), or (b) the number of months remaining in the Agreement had it not been terminated, whichever is lower. The parties hereto consider this liquidated damages provision to be a reasonable, good faith pre-estimate of those damages and not a penalty or punitive in nature. The liquidated damages provision only covers Franchisor's damages from the loss of cash flow from the Royalty Fees and Marketing Fund contribution. It does not cover any other damages, including damages to Franchisor's reputation with the public and damages arising from a violation of any provision of this Agreement other than the Royalty Fee and Marketing Fund contribution Sections. Franchisee and each of its Principals agree that the liquidated damages provision does not give Franchisor an adequate remedy at law for any default under, or for the enforcement of, any provision of this Agreement other than the Royalty Fees and Marketing Fund contribution Sections.

Section 19. MISCELLANEOUS

A. Notices. Any and all notices required or permitted under this Agreement shall be in writing and shall be either personally delivered; sent by nationally recognized overnight courier (Ex: FedEx); sent by certified or registered mail, return receipt requested; or sent by email (provided that the sender also sends a copy by certified or registered mail or recognized overnight courier contemporaneously) to the respective parties at the following addresses unless and until a different address has been designated by written notice

to the other party. Notwithstanding the foregoing, Franchisee's knowledge of a change in Franchisor's principal place of business or contact information shall be deemed adequate designation of a change and notice shall be sent to Franchisor's new address.

Notices to Franchisor:

Paris Baguette Family Inc.
137 West Commercial Avenue, Moonachie, New Jersey 07074
Attention: Legal Department

and

Paris Baguette Family Inc.
137 West Commercial Avenue, Moonachie, New Jersey 07074
Attention: Chief Development Officer

Notices to Franchisee:

To the address, telephone number and email address set forth in Attachment C (or such other address as may be later updated). Any notice shall 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 registered or certified mail, three (3) Business Days after the date and time of mailing.

Any notice shall be deemed to have been given at the time of personal delivery or, in the case of email, upon confirmation of receipt (or confirmation of delivery via contemporaneous methods required above, whichever occurs first) or, in the case of overnight courier, on the next business day after mailing, or in the case of registered or certified mail, three (3) business days after the date and time of mailing.

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 shall supersede all prior related agreements; provided, however, that nothing in this or any related agreement shall disclaim or require Franchisee to waive reliance on any representation that Franchisor made in the franchise disclosure document (including its exhibits and amendments) that Franchisor delivered to Franchisee or Franchisee's representative, subject to any agreed-upon changes to the contract terms and conditions described in that franchise disclosure document and reflected in this Agreement (including any riders or addenda signed at the time as this Agreement). Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change or variance from this Agreement shall 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 shall 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 shall make a timely written request to Franchisor, and such approval or consent shall be obtained in writing. No waiver, approval, consent, advice or suggestion given to Franchisee, and no

neglect, delay or denial of any request therefor, shall 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 shall 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 shall promptly undertake and maintain with due diligence. Such affected party shall be liable for failure to give timely notice only to the extent of damage caused. If an event of Force Majeure shall occur Franchisee shall continue to be obligated to pay to Franchisor any and all amounts that it shall have duly become obligated to pay in accordance with the terms of this Agreement prior to the occurrence of such event and the Indemnitees shall continue to be indemnified and held harmless by Franchisee in accordance with Section 15. Except as provided herein, neither party shall be held liable for a failure to comply with any terms and conditions of this Agreement to the extent such failure is caused by an event of Force Majeure provided however, in the event that any such delay (i) extends any deadline to open or (ii) prevents the operation of the Franchised Business, in excess of ninety (90) days, Franchisor may, at its option, terminate this Agreement. Nothing herein shall extend the timing for the payment of fees owed by Franchisee to Franchisor nor excuse payment.

F. Severability. Except as expressly provided to the contrary herein, each portion, section, part, term and provision of this Agreement shall 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 shall 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 shall continue to be given full force and effect and bind the parties; the invalid portions, sections, parts, terms or provisions shall be deemed not to be part of this Agreement; and there shall be automatically added such portion, section, part, term or provision as similar as possible to that which was severed which shall be valid and not contrary to or in conflict with any law or regulation.

G. Internal Dispute Resolution and Mediation.

(1) Internal Dispute Resolution. Franchisee must first bring any claim or dispute between Franchisor and Franchisee or any of their respective affiliates to Franchisor's Legal Department, after providing notice as set forth in Section 19A above. Franchisor must respond to Franchisee's notice inquiry within ten (10) business days of receipt or otherwise it is deemed denied. Franchisee must exhaust this internal dispute resolution procedure before it may bring its dispute before a third party. This agreement to first attempt resolution of disputes internally will survive termination or expiration of this Agreement.

(2) Mediation. Except for actions which the Franchisor may bring in any court of competent jurisdiction (a) for monies owed, (b) for injunctive or other extraordinary relief, or involving the possession or disposition of, or other relief relating to, real property, the Marks or the Confidential Information, the parties agree to submit any claim, controversy or dispute between Franchisor or any of its Affiliates (and their respective shareholders, officers, directors, agents, representatives and/or employees) and Franchisee (and Franchisee's agents, representatives and/or employees, as applicable) arising out of or related to (i) this Agreement or any other agreement between Franchisor and Franchisee or their respective Affiliates, (ii) Franchisor's relationship with Franchisee, (iii) the validity of this Agreement or any other agreement between Franchisor or Franchisee or their respective Affiliates, or (iv) any System standard, to mediation prior to bringing such claim, controversy or dispute in a court or before any other tribunal. The mediation shall be conducted by either an individual mediator or a mediator appointed by a mediation services organization or body experienced in the mediation of disputes between Franchisors and

Franchisees, as agreed upon by the parties and, failing such agreement, within a reasonable period of time (not to exceed fifteen (15) days) after either party has notified the other of its desire to seek mediation, by the American Arbitration Association in accordance with its rules governing mediation. Mediation shall be held within twenty (20) miles of Franchisor's then-current headquarters. The costs and expense of mediation, including the compensation and expenses of the mediator (but excluding attorneys' fees and costs incurred by either party), shall be borne by the parties equally. Failure to timely pay the costs and expenses of mediation, including the compensation and expenses of the mediator, by either party shall constitute a material breach of this Agreement. If the parties are unable to resolve the claim, controversy or dispute within ninety (90) days after the mediator has been chosen, then, unless such time is extended by written agreement of the parties, either party may institute arbitration under section 19(H).

H. Arbitration. Except for the rights reserved by Franchisor, any disputes and claims relating to this Agreement, the rights and obligations of the parties hereto, third party beneficiaries, and/or any guarantors and/or transferees of this Agreement, or any other claims or causes of action relating to the making, interpretation, or performance of either party under this Agreement, which are unresolved using the internal dispute procedure or mediation set forth above, must be resolved by submission to binding arbitration by and before a neutral franchise attorney agreed by the parties, and failing such agreement within a reasonable period of time (not to exceed 15 days), referred by the American Arbitration Association ("AAA") and selected by the parties in accordance with the Federal Arbitration Act ("FAA"). All hearings and other proceedings will take place within twenty (20) miles of Franchisor's then-current headquarters. Franchisor will notify Franchisee of its election to submit any dispute to arbitration (1) within thirty (30) days of receiving written notice of a dispute, claim, or alleged cause of action from Franchisee, or (2) within thirty (30) days of a non-binding mediation determination pursuant to Section 19(G)(2) above, or (3) at the time Franchisor provides Franchisee with notice of a dispute, claim, or alleged cause of action, as applicable.

(1) The AAA Commercial Arbitration Rules shall govern any dispute submitted to arbitration to the extent such rules are not inconsistent with the provisions of this arbitration provision. The parties shall select one arbitrator from the proposed list of arbitrators provided by AAA, as applicable. If the parties are unable to agree upon an arbitrator, each party to the dispute shall have fifteen (15) days from the transmittal date of the proposed list in which to strike names objected to, number the remaining names in order of preference, and return the list to AAA, as applicable. If a party does not return the list within the time specified, all persons named therein shall be deemed acceptable. From among the persons who have been approved on both lists, and in accordance with the designated order of mutual preference, AAA as applicable shall invite the acceptance of an arbitrator to serve. If the parties fail to agree on any of the persons named, or if acceptable arbitrators are unable to act, or if for any other reason the appointment cannot be made from the submitted lists, the process of submitting lists shall continue until a suitable arbitrator is selected. Notwithstanding any choice of law or other provision herein, the parties agree and acknowledge that the FAA shall govern the interpretation and enforcement and proceedings pursuant to this Agreement. To the extent state law is applicable under the FAA, the law of the state of Delaware shall apply. The statute of limitations of the state of Delaware shall be strictly enforced. During the arbitration, the costs and expense of arbitration, including the compensation and expenses of the arbitrator (but excluding attorneys' fees and costs incurred by either party), shall be borne by the parties equally. Failure to timely pay the compensation and expenses of the arbitrator by either party shall constitute a material breach of this Agreement. The arbitrator's award shall include an award of pre-hearing interest from the date upon which any damages were incurred, and from the date of the award until paid in full, at a rate to be fixed by the arbitrator, but in no event less than one and a half percent (1.5%) per month, or part of a month (unless a lower rate is required by law). The prevailing party shall be entitled to recover from the non-prevailing party all costs of arbitration, including, without limitation, the arbitrator's fee, interest, and costs of investigation. In addition, the prevailing party shall be entitled to an award of its reasonable and

necessary attorneys' fees. The arbitration hearings shall be completed within one hundred and fifty (150) days of the filing of the arbitration demand, unless the arbitrator, for good cause, must extend this deadline.

(2) The arbitrator shall have no authority to amend or modify the terms of the Agreement. To the extent permitted by applicable law, no issue of fact or law shall be given preclusive or collateral estoppel effect in any arbitration hereunder, except to the extent such issue may have been determined in another proceeding between the parties. Judgment upon the award of the arbitrator shall be submitted for confirmation to a United States District for the Eastern District of New York, or any other court of general jurisdiction located in New York, New York and, if confirmed, may be subsequently entered and/or docketed, including as a judgment, in any court having competent jurisdiction. Similarly, any appeals from and/or relating to any arbitration which may be brought in accordance with this Section 19(G)(2) shall be heard before a United States District Court in the Eastern District of New York, or any other court of general jurisdiction located in New York, New York.

(3) The arbitration provisions of this Agreement shall survive any termination or expiration of this Agreement.

I. Jurisdiction and Venue. FOR ANY CLAIMS, CONTROVERSIES OR DISPUTES THAT MAY BE BROUGHT TO A COURT OF LAW AS PROVIDED IN THIS AGREEMENT, FRANCHISEE AND THE PRINCIPALS HEREBY IRREVOCABLY SUBMIT THEMSELVES TO THE JURISDICTION OF THE STATE AND THE FEDERAL DISTRICT COURTS LOCATED IN NEW YORK, NEW YORK. FRANCHISEE AND THE PRINCIPALS HEREBY WAIVE ALL QUESTIONS OF PERSONAL JURISDICTION FOR THE PURPOSE OF CARRYING OUT THIS PROVISION AND AGREE THAT SERVICE OF PROCESS MAY BE MADE UPON ANY OF THEM IN ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP CREATED HEREBY BY ANY MEANS ALLOWED BY DELAWARE OR FEDERAL LAW. FRANCHISEE AND THE PRINCIPALS FURTHER AGREE THAT VENUE FOR ANY SUCH PROCEEDING SHALL BE LOCATED IN NEW YORK, NEW YORK.; PROVIDED, THAT FRANCHISOR MAY BRING ANY ACTION (i) FOR MONIES OWED, (ii) FOR INJUNCTIVE OR OTHER EXTRAORDINARY RELIEF OR (iii) INVOLVING POSSESSION OR DISPOSITION OF, OR OTHER RELIEF RELATING TO, REAL PROPERTY, THE MARKS, OR THE CONFIDENTIAL INFORMATION, IN ANY STATE OR FEDERAL DISTRICT COURT WHICH HAS JURISDICTION.

J. Injunctive Relief. Nothing contained in this Agreement shall prevent Franchisor from applying to and/or obtaining, from any court having competent jurisdiction, a writ of attachment, injunctive relief, including without limitation a temporary injunction or preliminary injunction, and/or other emergency relief available to safeguard and protect Franchisor's interests. Franchisor is entitled to seek this relief without the posting of any bond or security and, if a bond is nevertheless required by a court of competent jurisdiction, the parties expressly agree that the sum of $1,000 is a sufficient bond.

K. Waiver of Class Actions. Each of the parties hereby irrevocably waives the right to litigate or arbitrate on a class action basis, in any action, proceeding, or counterclaim, whether at law or in equity.

L. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND INTERPRETED AND CONSTRUED UNDER DELAWARE LAW (EXCEPT FOR DELAWARE CONFLICT OF LAW RULES).

M. Mutual Acknowledgments. THE PARTIES ACKNOWLEDGE THAT THEIR AGREEMENT REGARDING APPLICABLE STATE LAW AND FORUM SET FORTH ABOVE PROVIDE EACH OF THEM WITH THE MUTUAL BENEFIT OF UNIFORM INTERPRETATION OF THIS AGREEMENT AND ANY DISPUTE ARISING OUT OF THIS AGREEMENT OR THE

PARTIES' RELATIONSHIP CREATED BY THIS AGREEMENT. EACH PARTY FURTHER ACKNOWLEDGES THE RECEIPT AND SUFFICIENCY OF MUTUAL CONSIDERATION FOR SUCH BENEFIT.

N. Damages Waiver. EXCEPT AS EXPLICITLY SET FORTH HEREIN, FRANCHISEE AND THE PRINCIPALS HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO ANY PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR OTHER SIMILAR DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS) AGAINST FRANCHISOR, ITS AFFILIATES, AND ITS PREDECESSORS OR SUCCESSORS AND THE OFFICERS, DIRECTORS, SHAREHOLDERS, PARTNERS, MEMBERS, AGENTS, REPRESENTATIVES, INDEPENDENT CONTRACTORS AND EMPLOYEES OF EACH OF THEM, IN THEIR CORPORATE AND INDIVIDUAL CAPACITIES, ARISING OUT OF ANY CAUSE WHATSOEVER (WHETHER SUCH CAUSE BE BASED IN CONTRACT, NEGLIGENCE, STRICT LIABILITY, OTHER TORT OR OTHERWISE) AND AGREE THAT IN THE EVENT OF A DISPUTE, FRANCHISEE AND THE PRINCIPALS SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY THEM. IF ANY OTHER TERM OF THIS AGREEMENT IS FOUND OR DETERMINED TO BE UNCONSCIONABLE OR UNENFORCEABLE FOR ANY REASON, THE FOREGOING PROVISIONS OF WAIVER BY AGREEMENT OF PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR OTHER SIMILAR DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS) SHALL CONTINUE IN FULL FORCE AND EFFECT.

O. JURY WAIVER. IN ANY LITIGATION BETWEEN THE PARTIES FOUNDED UPON OR ARISING FROM THIS AGREEMENT, AND TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL AND THE PARTIES HEREBY STIPULATE THAT ANY SUCH TRIAL SHALL OCCUR WITHOUT A JURY.

P. BUSINESS JUDGMENT. FRANCHISEE, THE PRINCIPALS AND FRANCHISOR ACKNOWLEDGE THAT VARIOUS PROVISIONS OF THIS AGREEMENT SPECIFY CERTAIN MATTERS THAT ARE WITHIN THE DISCRETION OR JUDGMENT OF FRANCHISOR OR ARE OTHERWISE TO BE DETERMINED UNILATERALLY BY FRANCHISOR. IF THE EXERCISE OF FRANCHISOR'S DISCRETION OR JUDGMENT AS TO ANY SUCH MATTER IS SUBSEQUENTLY CHALLENGED, THE PARTIES TO THIS AGREEMENT EXPRESSLY DIRECT THE TRIER OF FACT THAT FRANCHISOR'S RELIANCE ON A BUSINESS REASON IN THE EXERCISE OF ITS DISCRETION OR JUDGMENT IS TO BE VIEWED AS A REASONABLE AND PROPER EXERCISE OF SUCH DISCRETION OR JUDGMENT, WITHOUT REGARD TO WHETHER OTHER REASONS FOR ITS DECISION MAY EXIST AND WITHOUT REGARD TO WHETHER THE TRIER OF FACT WOULD INDEPENDENTLY ACCORD THE SAME WEIGHT TO THE BUSINESS REASON.

Q. LIMITATIONS OF CLAIMS. EXCEPT FOR CLAIMS BROUGHT BY FRANCHISOR WITH REGARD TO (1) ANY MISREPRESENTATION OR OMISSION MADE BY FRANCHISEE OR ITS PRINCIPALS UNDER THIS AGREEMENT OR IN ANY APPLICATION THEREFORE, (2) FRANCHISEE'S OBLIGATIONS TO PROTECT FRANCHISOR'S CONFIDENTIAL INFORMATION, AND MARKS AND OBLIGATIONS OF NON-COMPETITION OR (3) FRANCHISEE'S OBLIGATIONS TO INDEMNIFY AN INDEMNITEE PURSUANT TO SECTION 15, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE RELATIONSHIP OF FRANCHISEE AND FRANCHISOR 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 FRANCHISEE OR FRANCHISOR KNEW OR SHOULD HAVE KNOWN, IN THE

EXERCISE OF REASONABLE DILIGENCE, OF THE FACTS GIVING RISE TO SUCH CLAIMS, WHICHEVER OCCURS FIRST.

R. Counterpart Execution. This Agreement may be signed in counterparts, each of which when taken together shall form one valid and effective agreement which may be electronically signed, and any digital or electronic signatures (including pdf or electronically imaged signatures provided by DocuSign or any other nationally recognized digital signature provider) will be treated the same as handwritten signatures for the purposes of validity, enforceability and admissibility, and delivery of any such electronic signature, or a signed copy of this Agreement, may be made by email or other electronic transmission.

S. Headings. The captions used in connection with the sections and subsections of this Agreement are inserted only for purpose of reference. Such captions shall 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 shall such captions otherwise be given any legal effect.

T. 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, shall 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.

U. Gender. All references herein to the masculine, neuter or singular shall 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 shall be deemed, jointly and severally, undertaken by all of the Principals.

V. Remedies Cumulative. All rights and remedies of the parties to this Agreement shall 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 shall be continuing and shall 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 shall 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 shall 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.

W. No Third Party. Beneficiary. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisee, Franchisor, Franchisor's officers, directors and personnel, Franchisor's affiliate and parent Paris Croissant Co., Ltd., Indemnitees 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.

X. 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.

Y. Agreement Effective Upon Execution by Franchisor. This Agreement shall 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 as of the date indicated below.

FRANCHISOR:

Paris Baguette Family Inc., a Delaware corporation

By:_____ Name:_____ Title:_____

Date:_____

FRANCHISEE:

By:_____ Name:_____ Title:_____

Date:_____

ATTACHMENT A

GUARANTY AND ASSUMPTION AGREEMENT

The undersigned persons designated as "Principals" hereby represent to Paris Baguette Family Inc. ("Franchisor") that they are all of the shareholders of, or all of the general partners of, all of the members and managers of, _____ ("Franchisee"), as the case may be. Each such Principal also represents that his or her spouse is also listed herein as a "Spousal Guarantor". In consideration of the grant by Franchisor to Franchisee, as provided under the franchise agreement dated _____, (the "Franchise Agreement"), each of the undersigned agrees, in consideration of benefits received and to be received by each of them, jointly and severally, and for themselves, their heirs, legal representatives and assigns that they, and each of them, shall be firmly bound by all of the terms, provisions and conditions of the foregoing Franchise Agreement, that they and each of them do unconditionally guarantee the full and timely performance by Franchisee of each and every obligation of Franchisee under the Franchise Agreement, including, without limitation, any indebtedness of Franchisee arising under or by virtue of the Franchise Agreement to Franchisor and/or its affiliates, and that they and each of them shall not permit or cause any change in the percentage of Franchisee owned, directly or indirectly, by any person, without first notifying Franchisor of said proposed transfer and obtaining the prior written consent of Franchisor, following Franchisor's transfer procedures and without first paying or causing to be paid to Franchisor any required transfer fee. The undersigned further agree to be bound by the in-term and post-termination covenants of the Franchise Agreement including, without limitation, those relating to confidentiality and non-competition. The undersigned also agree that the governing law and methods for resolution of disputes which govern this Guaranty shall be the same as those outlined in the Franchise Agreement.

EACH GUARANTOR ACKNOWLEDGES THAT HE OR SHE HAS READ THIS PERSONAL GUARANTY, UNDERSTANDS ITS TERMS, AND GUARANTOR WOULD NOT SIGN THIS PERSONAL GUARANTY IF GUARANTOR DID NOT UNDERSTAND AND AGREE TO BE BOUND BY ITS TERMS.

Undersigned:

Principals:	Spousal Guarantors:
_____	_____
Print Name:	Print Name:
Address:_____	Address: _____
Dated: _____	Dated:_____
_____	_____
Print Name:	Print Name:
Address: _____	Address: _____
Dated: _____	Dated:_____

ATTACHMENT B

CONFIDENTIALITY AGREEMENT
(For employees of the Franchisee)

1. Pursuant to a Franchise Agreement dated _____ (the "Franchise Agreement"), _____ (the "Franchisee") has acquired the right and franchise from Paris Baguette Family Inc (the "Franchisor") to establish and operate a Paris Baguette Cafe (the "Franchised Business") and the right to use in the operation of the Franchised Business the Franchisor's trade names, service marks, trademarks, logos, emblems, and indicia of origin (the "Proprietary Marks"), as they may be changed, improved and further developed from time to time in the Franchisor's sole discretion.

2. The Franchisor, as the result of the expenditure of time, skill, effort and resources, has developed and owns a distinctive format and system (the "System") relating to the establishment and operation of Paris Baguette Cafés a variety of French-inspired high-quality breads, pastries, cakes, and other artfully-displayed desserts, along with handcrafted sandwiches, soups, salads, hot and cold beverages, and other products. The Franchisor possesses certain proprietary and confidential information relating to the operation of the System, which includes but is not limited to, proprietary trade secrets, recipes, specifications, security protocols, computer hardware and systems, technology and equipment used, methods of business practices and management, research and development, training processes, operational manuals, presentation materials, vendor agreements, supplier lists, vendor lists, marketing and merchandising strategies, plans for new product or service offerings, and knowledge of, and experience in, the operation of the Franchised Business (the "Confidential Information"). Confidential Information shall also expressly include all customer and franchisee personal and business information that I obtain or have access to during my employment, as well as the confidential information of any other third parties to whom the Franchisor owes a duty of confidentiality. Further, any and all information, knowledge, know-how, and techniques which the Franchisor specifically designates as confidential shall be deemed to be Confidential Information for purposes of this Agreement.

3. In consideration for my access to the Confidential Information as part of my employment with Franchisee, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree to the terms of this Confidentiality Agreement (the "Agreement").

4. As an employee of Franchisee, the Franchisor and/or Franchisee may disclose the Confidential Information to me via training programs, the Franchisor's Confidential Operations Manuals (the "Manuals"), or the development process during the term of my employment with the Franchisee.

5. I will not acquire any interest in the Confidential Information, other than the right to utilize it in performing my duties for Franchisee during the term of my employment and the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition. I covenant that I will not forward or provide the Confidential Information to any third party, nor store it on any personal or third-party electronic device, disk, drive, or otherwise, unless expressly authorized to do so by the Franchisor.

6. Any work performed by me during my employment with Franchisee in relation to Paris Baguette or the Franchise Agreement and any derivative works created by me using the Confidential Information or any proprietary information of the Franchisor are considered "works made for hire" and I will have no ownership interest in the items created.

7. The Confidential Information is proprietary, involves trade secrets of the Franchisor, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information. Unless the Franchisor otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties as an employee of Franchisee, and will continue not to disclose or use any such information even after I cease to be employed by Franchisee, unless I can demonstrate that such information has become generally known to the public or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement, a breach of the employees or associates of Franchisee, or a breach of my own duties or the duties hereunder.

8. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. In the event any provision of this Agreement is ever deemed to exceed the limits permitted by any applicable law, the provisions set forth herein will be reformed to the extent necessary to make them reasonable and enforceable. The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of the remaining provisions, all of which are severable and will be given full force and effect.

9. I understand and acknowledge that the Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof; and I agree to comply forthwith with any covenant as so modified.

10. The Franchisor is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with Franchisee. I am aware that my violation of this Agreement may cause the Franchisor and Franchisee irreparable harm; therefore, I acknowledge and agree that Franchisee and/or the Franchisor may apply for the issuance of an injunction preventing me from violating this Agreement, without the necessity of proving actual damages or posting a bond, in addition to any other remedies available to them, and I agree to pay Franchisee and the Franchisor all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to Franchisee and the Franchisor, any claim I have against Franchisee or the Franchisor is a separate matter and does not entitle me to violate, or justify any violation of this Agreement.

11. This is not a contract for employment and does not guaranty my employment for any set period of time. I agree and understand that Franchisee is my employer and I have no employment relationship with the Franchisor.

12. Except for an action seeking injunctive or other equitable relief all claims, disputes or controversies that may arise concerning this Agreement, or the construction, performance, or breach of this Agreement, whether based on contract, tort, statute or any other theory, will be submitted to and adjudicated, determined and resolved through compulsory, binding arbitration, unless prohibited by law. Matters shall be decided on an individual basis, and not on a class-wide or multiple plaintiff basis or in an action where any party hereto acts in a representative capacity, unless prohibited by law. The parties hereby irrevocably and unconditionally submit to the exclusive jurisdiction of the American Arbitration Association ("**AAA**") for any action or proceeding arising out of or relating to this Agreement, which will be governed in accordance with its Employment Arbitration Rules, to the extent such rules are not inconsistent with the provisions of this arbitration provision and unless otherwise mutually agreed by the parties or prohibited by law. **The parties agree that any such arbitration will be final and binding and in agreeing to arbitration, the parties understand that they are waiving their respective rights to seek remedies in court, including the right to a jury trial.** In any arbitration, each party is solely responsible for payment of the fees and expenses of his, her or its counsel fees, and each party shall pay their required share of arbitration costs. Notwithstanding any choice of law or other provision herein, the parties agree and acknowledge that the Federal Arbitration Act shall govern the interpretation and enforcement of this

provision and the proceedings hereunder. To the extent state law is applicable under the Federal Arbitration Act, the laws of the state of Delaware shall apply. The statute of limitations of the state of Delaware shall be strictly enforced. The arbitration shall be conducted in New York, New York by one (1) arbitrator.

13. In the event any action for equitable relief, injunctive relief or specific performance is filed, or should any action be filed to confirm, modify or vacate any award rendered through compulsory binding arbitration, or otherwise, I hereby irrevocably agree that the forum for any such suit will lie with a court of competent jurisdiction in New York, New York and hereby agree to the personal jurisdiction and venue of such court.

14. This Agreement will be binding upon me, my heirs, and personal representatives, and shall inure to the benefit of Franchisor and Franchisee and any of their affiliates, parents, subsidiaries, successors and assigns. I understand that this Agreement may and will be assigned or transferred to any successor of the Franchisor, and any successor will be deemed substituted, for all purposes, as the "Franchisor" under the terms of this Agreement. As used in this Agreement the term "successor" will mean any person, firm, corporation, or business entity which at any time, whether by merger, purchase or otherwise, acquires all or substantially all of the assets of the business of the Franchisor. I acknowledge that the services to be rendered by me in my employment are unique and personal. Accordingly, I may not assign any of my rights nor delegate any of my duties or obligations under this Agreement.

15. This Agreement may not be modified except by a written agreement executed by the Parties, which has been approved by the Franchisor.

16. This Agreement may be signed in counterparts, each of which when taken together shall form one valid and effective agreement which may be electronically signed, and any digital or electronic signatures (including pdf or electronically imaged signatures provided by DocuSign or any other nationally recognized digital signature provider) will be treated the same as handwritten signatures for the purposes of validity, enforceability and admissibility, and delivery of any such electronic signature, or a signed copy of this Agreement, may be made by email or other electronic transmission.

_____
Name:
Dated:_____

FRANCHISEE

By:_____
Name:
Title:
Dated: _____

ATTACHMENT C

SELECTED TERMS:
LOCATION, PROTECTED AREA, AND OPENING DATE

1. SEARCH AREA: Pursuant to Section 2A of the Franchise Agreement, the non-exclusive search area for locating a site for the Cafe shall be as follows: The shaded area, outlined in _____, depicted on the below map will be the search area. The center point is _____ and extends out ___ miles in each direction as the crow flies.

2. LOCATION: The Cafe shall be located at the following address: TBD

3. FRANCHISE FEE: $_____

4. PROTECTED AREA: The Protected Area shall be: TBD, as evidenced by the attached map. No territorial rights are granted until a Protected Area has been determined and this Attachment C has been updated accordingly.

5. OPENING DATE: The Opening Date of the Cafe is TBD (but must be within three hundred and sixty five days of the execution of the Franchise Agreement).

6. DAYS OF OPERATION: Franchisee's Cafe must be open the dates and times as outlined in the Manuals, unless otherwise instructed by Franchisor in writing.

7. ROYALTY FEE: Please check as appropriate.

☐ ROYALTY FEE FOR SINGLE UNIT FRANCHISEES: Five percent (5%) of Gross Sales each week (unless another frequency is subsequently designated by Franchisor), subject to qualification for royalty incentive program.

☐ FRANCHISE AGREEMENT ROYALTY FEE FOR AREA DEVELOPERS (with 4 or more Cafes), subject to qualification for royalty incentive program:

☐ (a) If this is the first agreement executed pursuant to the Area Development Agreement, Five percent (5%) of Gross Sales for each week (unless another frequency is subsequently designated by Franchisor); or

☐ (b) if this is not the first agreement executed pursuant to the Area Development Agreement, the same amount as indicated in the first agreement that was executed by the Developer, which is _____%.

*ROYALTY INCENTIVE PROGRAM: The Royalty fee is reduced by 1% for the first [12] months for franchisees in good standing who open their locations within 9 months of signing the franchise agreement. For area developers opening their second or greater location under an area development agreement, to receive the discount, the location must be open at least 3 months prior to the opening deadline listed in the development schedule.

8. MARKETING FUND FEE: Please check as appropriate:

☐ MARKETING FUND FEE FOR SINGLE UNIT FRANCHISEES: Two percent (2%) of Gross Sales each week (unless another frequency is subsequently designated by Franchisor); provided however, that Franchisor, in its sole discretion and at any time during the initial term of the Agreement, may increase this Fee to any amount not exceeding three percent (3%) of weekly Gross Sales

☐ MARKETING FUND FEE FOR AREA DEVELOPERS (with 4 or more Cafes):

☐ (a) If this is the first agreement executed pursuant to the Area Development Agreement, two percent (2%) of Gross Sales each week (unless another frequency is subsequently designated by Franchisor); provided however, that Franchisor, in its sole discretion and at any time during the initial term of the Agreement, may increase this Fee to any amount not exceeding three percent (3%) of weekly Gross Sales; or

☐ (b) If this is not the first agreement executed pursuant to the Area Development Agreement, the same amount being charged for the first agreement that was executed by Developer which is _____%.

9. EXPIRATION DATE: The initial term of the Franchise Agreement will expire on _____. TBD (subject to the provisions outlined in the Franchise Agreement).

Notices to Franchisee and the Principals (Section 19(A)):

_____

_____

Attention: _____
Telephone: _____
Email: _____

EXHIBIT 1 TO ATTACHMENT C

CONFIRMATION OF OPENING DATE

FOR THE SITE LOCATED AT: TBD

Reference is hereby made to a Franchise Agreement dated _____ ("Agreement"), by and between Paris Baguette Family Inc. ("Franchisor") and _____ _____ ("Franchisee"). Pursuant to Section 2(D) of the Agreement, Franchisor hereby gives notice that the Opening Date (as defined in the Agreement) is _____, 20___.

FRANCHISOR:

Paris Baguette Family Inc., a Delaware corporation

By:_____ Name:_____ Title:_____

Date:_____

ATTACHMENT D

STATEMENT OF OWNERSHIP INTERESTS AND FRANCHISEE'S PRINCIPALS

Franchisee Owners

1. **Form of Owner**. (Choose (a) or (b))

(a) **Individual Proprietorship**. List individual(s):

_____

_____

(b) **Corporation, Limited Liability Company, or Partnership:**

Name: _____
Date of incorporation or formation: _____
State of incorporation of formation: _____

The following is a list of your directors/managers/officers, as applicable, and officers as of the date of execution:

Name of Each Director/Manager/Officer	Position(s) Held
_____	_____
_____	_____
_____	_____

2. **Principals**. The following list includes the full name of each person or entity who is one of your owners and fully describes the nature of each owner's interest (attach additional pages if necessary).

	Principal's Name	Percentage/Description of Interest
(a)	_____	_____
(b)	_____	_____
(c)	_____	_____
(d)	_____	_____

3. **Identification of Operating Principal**. Your Operating Principal is _____ _____(must be one of the individuals listed in paragraph 2 above. You may not change the Operating Principal without prior written approval. The Operating Principal is the person authorized to receive communications regarding this Agreement).

Address: _____
_____

E-mail Address: _____

FRANCHISEE

By: _____
Name:
Title:

Dated: _____

PARIS BAGUETTE FAMILY INC.

By: _____
Name:
Title:

Dated: _____

ATTACHMENT E

ELECTRONIC FUNDS TRANSFER
AUTHORIZATION TO HONOR CHARGES DRAWN BY AND PAYABLE TO PARIS

BAGUETTE FAMILY 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 shall 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 shall be under no liability whatsoever. This authorization shall 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.

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

(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.)

Cafe Location: _____

Cafe #: _____

For information
call: _____ Address: _____

Phone #: _____

Fax #: _____

_____
Name of Franchisee/Depositor (please print)

By: _____
Signature and Title of Authorized Representative

Date: _____

ATTACHMENT F

SITE SELECTION AND ACQUISITION ADDENDUM

TO FRANCHISE AGREEMENT DATED _____ BETWEEN PARIS BAGUETTE FAMILY INC. AND _____, ("FRANCHISEE")

This Site Selection and Acquisition Addendum ("Site Addendum") is made part of, and incorporated into, the Franchise Agreement by and between Paris Baguette Family Inc. ("Franchisor") and _____ ("Franchisee") dated _____, (the "Franchise Agreement"). Initially capitalized terms used but not defined herein have the meanings set forth in the Franchise Agreement.

RECITALS

Franchisor and Franchisee desire to modify the Franchise Agreement to provide for certain site selection and acquisition procedures and obligations with respect to the Cafe.

NOW, THEREFORE, Franchisor and Franchisee expressly covenant and agree as follows:

I. Site Selection

A. Search Area. Franchisee assumes all cost, liability, expense and responsibility for locating, obtaining and developing a site for the Cafe within the non-exclusive geographic area described on Attachment C to the Franchise Agreement ("Search Area"). Franchisee acknowledges and agrees that it acquires no rights in and to the Search Area, other than the right to select a site for the Cafe from within its boundaries.

Following Franchisee's selection and Franchisor's acceptance of a site for the Cafe, the Location will be identified in Attachment C to the Franchise Agreement and the Search Area will be of no further force or effect.

B. Site Selection Assistance. To assist Franchisee in its selection of a site for its Cafe, Franchisor will provide to Franchisee:

1. Franchisor's written site selection guidelines and such site selection assistance as Franchisor deems advisable.

2. Such on-site evaluation as Franchisor may deem necessary on its own initiative or in response to Franchisee's reasonable request for site acceptance; provided, however, that Franchisor shall not provide an on-site evaluation for any proposed site prior to the receipt of all required information and materials concerning such site pursuant to Paragraph II(A) below. Franchisor (or its designee) will provide up to three (3) site visits in connection with the site evaluation of a Cafe without additional charge, including one (1) visit for site evaluation and up to two (2) visits for construction consultation). Thereafter, if additional on-site evaluations are deemed appropriate by Franchisor, or upon Franchisee's reasonable request, Franchisor reserves the right to require Franchisee to pay its evaluation costs and reimburse Franchisor (or its designee) for its reasonable expenses incurred in connection with such on-site evaluation, including, without limitation, the cost of travel, lodging and meals. 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 Cafe operated at that site will be profitable or otherwise successful.

3. On loan, a set of prototypical architectural and design plans and specifications for a Paris Baguette Cafe.

II. Site Review and Acceptance Procedure

A. Site Information. Before acquiring a site for a Cafe, Franchisee shall provide, in the form specified by Franchisor, a description of the proposed site, evidence satisfactory to Franchisor demonstrating that the proposed site satisfies Franchisor's site selection guidelines, and such other information and materials as Franchisor may reasonably require, including, but not limited to, a letter of intent or other evidence satisfactory to Franchisor confirming Franchisee's favorable prospects for obtaining the site. Recognizing that time is of the essence, Franchisee agrees that it will provide such site information to Franchisor no later than ninety (90) days after the execution of the Franchise Agreement.

B. Site Acceptance. No site may be used for a Cafe unless it is first accepted in writing by Franchisor, and Franchisee shall not make any binding commitment with respect to a site for a Cafe unless the site is first accepted in writing by Franchisor. After receiving Franchisee's site information, Franchisor shall have thirty (30) days to determine, in its reasonable discretion, the suitability of the proposed site as the location for the Cafe. If Franchisor concludes that the proposed site is a suitable location, then Franchisee must provide a copy of the proposed contract of sale or lease, as applicable, for Franchisor's review. Franchisee understands and agrees that Franchisor (i) may not accept a site if the term of the lease is shorter than the term of the Franchise Agreement and (ii) will not accept a site unless an addendum to the lease, containing covenants, in substantially the form of those in Attachment G to the Franchise Agreement, is attached to the lease and incorporated therein. Franchisee acknowledges that Franchisor's review of any leases, sub-leases or real estate purchase agreements and Franchisor's review of potential sites are simply to ensure that the site meets Franchisor's then-acceptable criteria, which have been established for its own purposes. Neither the acceptance of a site or lease, nor Franchisor's rendering of assistance in the selection of a site constitute a representation, promise, warranty or guarantee, express or implied, by Franchisor that the Cafe operated at that site will be profitable or otherwise successful.

C. Failure to Obtain Site Acceptance; Termination of Franchise Agreement. If Franchisee fails to obtain Franchisor's acceptance of a proposed site within the timeframe set forth below, Franchisor shall have the right to terminate the Franchise Agreement pursuant to Section 17(C)(2) thereof.

III. Site Acquisition

A. Site Acquisition. Promptly following Franchisor's acceptance of the site for each Cafe, but in no event later than sixty (60) days after such acceptance, Franchisee shall acquire the site by purchase or lease, at Franchisee's expense. Franchisee shall furnish to Franchisor a copy of the executed lease or contract of sale within three (3) days after execution of such lease or contract of sale.

B. Contractual Designation of Site. After a site for a Cafe is accepted by Franchisor and acquired by Franchisee, the address of the site shall be entered on Attachment C to the Franchise Agreement as the Location of the Cafe.

IV. Conflict with Franchise Agreement

A. Whenever there is a conflict or inconsistency between this Site Addendum and any provision of the Franchise Agreement, the provisions of this Site Addendum shall control.

FRANCHISOR:

Paris Baguette Family Inc., a Delaware corporation

By:_____ Name:_____ Title: _____

FRANCHISEE:

_____

By:_____ Name:_____ Title: _____

ATTACHMENT G

COLLATERAL ASSIGNMENT AND LEASE ADDENDUM TERMS

COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, the undersigned ("Assignor") assigns and transfers to Paris Baguette Family Inc., a Delaware corporation company ("Assignee"), all of Assignor's right, title and interest as tenant in, to and under that certain lease, a copy of which is attached hereto as Exhibit "A" (the "Lease") respecting premises commonly known as (the "Premises"). This Assignment is for collateral purposes only and except as specified in this Agreement, Assignee shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment or the Lease unless Assignee takes possession of the Premises demised by the Lease pursuant to the terms hereof and assumes the obligations of Assignor thereunder.

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

Upon a default by Assignor under the Lease or under the franchise agreement between Assignee and Assignor for the operation of a Paris Baguette cafe (the "Franchise Agreement"), or in the event of a default by Assignor under any document or instrument securing the Franchise Agreement, Assignee shall have the right and is hereby empowered to take possession of the Premises demised by the Lease, expel Assignor there from, and, in such event, Assignor shall have no further right, title or interest in the Lease.

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

ASSIGNOR:

By: _____

Title:_____

ASSIGNEE:

PARIS BAGUETTE FAMILY INC.

By: _____

Title:_____

LEASE ADDENDUM

CONSENT AND AGREEMENT OF LESSOR

The undersigned Lessor under the aforedescribed Lease hereby:

(a) Agrees to notify Assignee in writing of and upon the failure of Assignor to cure any default by Assignor under the Lease;

(b) Agrees that Assignee shall have the right, but shall not be obligated, to cure any default by Assignor under the Lease within fifteen (15) days after delivery by Lessor of notice thereof in accordance with Section (a) above;

(c) Agrees that Assignee shall have the right to undertake to perform the terms, covenants, obligations and conditions of the Lease on behalf of the Tenant (notwithstanding any removal or eviction of Tenant) for a period not to exceed six (6) months from the first (1st) date of any cure by Franchisor;

(d) Agrees that at any time within or at the conclusion of such six (6) month period set forth in Section (c) above, Assignee may 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, Lessor and Assignee shall enter into an agreement to document such assumption. Assignee is not a party to the Lease and shall have no liability under the Lease unless and until said Lease is assigned to, and assumed by, Assignee as herein provided.

(e) Agrees that Assignee may further assign the Lease to another Paris Baguette cafe franchisee. Lessor shall permit the assignment of the Lease to said franchisee without the payment of any fee or other cost requirement, provided that said franchisee meets Lessor's reasonable financial qualifications. Lessor shall not unreasonably withhold consent to such assignment. Thereafter, Assignee shall 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.

(f) On termination or expiration of the Franchise Agreement or the Lease, Assignee shall have the right to re-enter the Premises and make all necessary modifications or alterations to the Premises including the removal of all articles which display Assignee's Proprietary Marks. Assignee's re-entry shall not be deemed as trespassing.

DATED: _____

LESSOR:

_____

ASSIGNEE:

PARIS BAGUETTE FAMILY INC.

By: _____

Title: _____

ATTACHMENT H

TELEPHONE, INTERNET WEB SITES AND LISTINGS AGREEMENT

THIS TELEPHONE, INTERNET WEB SITES AND LISTINGS AGREEMENT (the "Agreement") is made and entered into as of the date it is executed by Franchisor (the "Effective Date"), by and between Paris Baguette Family Inc., a Delaware corporation (the "Franchisor"), and _____ (the "Franchisee").

W I T N E S S E T H:

WHEREAS, Franchisee desires to enter into a Franchise Agreement with Franchisor for the right to own and operate a Paris Baguette business (the "Franchise Agreement"); and

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee's agreement to enter into, comply with, and be bound by all the terms and provisions of this Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **DEFINITIONS**

All terms used but not otherwise defined in this Agreement shall have the meanings set forth in the Franchise Agreement. "Termination" of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. **TRANSFER; APPOINTMENT**

2.1 Interest in Telephone Numbers, Internet Web Sites and Listings. Franchisee may acquire (whether in accordance with or in violation of the Franchise Agreement) during the term of the Franchise Agreement, certain right, title, and interest in and to certain telephone numbers and telephone directory listings (collectively, the "Telephone Numbers and Listings"); social media accounts, domain names, hypertext markup language, uniform resource locator addresses, and access to corresponding Internet web sites, blogs, vlogs, email addresses and the right to hyperlink to certain web sites and listings on various Internet search engines (collectively, the "Internet Web Sites and Listings") related to the Franchised Business or the Marks (all of which right, title, and interest is referred to herein as "Franchisee's Interest").

2.2 Transfer. On Termination of the Franchise Agreement, or on periodic request of Franchisor, Franchisee will immediately direct all Telephone companies or listing companies, Internet Service Providers, social media platforms, domain name registries, Internet search engines, and other listing agencies (collectively, the "Companies") with which Franchisee has Telephone Numbers and Listings or Internet Web Sites and Listings: (a) to transfer all of Franchisee's Interest in such Telephone Numbers and Listings or Internet Web Sites and Listings to Franchisor; and (b) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Telephone Numbers and Listings or Internet Web Sites and Listings, Franchisee will immediately terminate Telephone Numbers and Listings or Internet Web Sites and Listings, or if such termination requires the involvement of the Companies, immediately direct the Companies to terminate such Telephone Numbers and Listings or Internet Web Sites and Listings and Franchisee will take such other actions as Franchisor directs.

2.3 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor's benefit under the Franchise Agreement and this Agreement or otherwise, with full power of substitution, as Franchisee's true and lawful attorney-in-fact with full power and authority in Franchisee's place and stead, and in Franchisee's name or the name of any affiliated person or affiliated company of Franchisee, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including without limitation this Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.3.1 Direct the Companies to transfer all Franchisee's Interest to Franchisor;

2.3.2 Direct the Companies to terminate any or all of the Telephone Numbers and Listings or Internet Web Sites and Listings; and

2.3.3 Execute the Companies' standard assignment forms or other documents in order to affect such transfer or termination of Franchisee's Interest.

2.4 Certification of Termination. Franchisee hereby directs the Companies to accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.5 Cessation of Obligations. After the Companies have duly transferred all Franchisee's Interest to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or continuing obligations under, such Telephone Numbers and Listings or Internet Web Sites and Listings. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Companies for the sums Franchisee is obligated to pay such Companies for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such Interest and shall remain liable for any actions occurring prior to the date of transfer.

3. MISCELLANEOUS

3.1 Release. Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertable in, or in any way related to this Agreement.

3.2 Indemnification. Franchisee is solely responsible for all costs and expenses related to its performance, its nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations that are related to or are based on this Agreement.

3.3 No Duty. The powers conferred on Franchisor hereunder are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's Interest in any or all such Telephone Numbers and Listings or Internet Web Sites and Listings.

3.4 Further Assurances. Franchisee agrees that at any time after the date of this Agreement, Franchisee will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Agreement.

3.5 Successors, Assigns, and Affiliates. All Franchisor's rights and powers, shall inure to Franchisor and its successors and assigns and all Franchisee's obligations, under this Agreement shall be binding on Franchisee's heirs, representatives, successors, assigns, and affiliated persons or entities as if they had duly executed this Agreement.

3.6 Effect on Other Agreements. This is agreement and the documents referenced herein constitute the entire agreement between the parties related to the subject matter herein.

3.7 Survival. This Agreement shall survive the Termination of the Franchise Agreement.

3.8 Joint and Several Obligations. All Franchisee's obligations under this Agreement shall be joint and several.

3.9 Governing Law. This Agreement shall be governed by and construed under the laws of the State of Delaware, without regard to the application of Delaware conflict of law rules.

IN WITNESS WHEREOF, the undersigned have executed or caused their duly authorized representatives to execute this Agreement.

PARIS BAGUETTE FAMILY, INC.:	FRANCHISEE:
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Dated: _____	Dated:_____

ATTACHMENT I

FORM OF GENERAL RELEASE

This Termination Agreement and General Release (the "Agreement") is made as of _____ ("Effective Date") by and between _____ ("Franchisee") and Paris Baguette Family Inc., a Delaware corporation (the "Franchisor") (Franchisor together with Franchisee, the "Parties").

WHEREAS, Franchisor and Franchisee entered into a franchise agreement dated _____ (the "Franchise Agreement") which provides Franchisee with the right to own and operate a franchised business with a Protected Area as outlined on Attachment C to the Franchise Agreement (the "Franchised Business");

WHEREAS, Franchisee and Franchisor agree to terminate the Franchise Agreement.

NOW, THEREFORE, wherein the parties hereto, in exchange for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, and in reliance upon the representations, warranties, and comments herein set forth, do agree as follows:

1. Franchisee acknowledges and agrees that by entering into this Agreement, all of Franchisee's rights under the Franchise Agreement are terminated as of the Effective Date, however, Franchisee shall continue to be bound by the post-termination restrictions and covenants contained in the Franchise Agreement and any schedules attached thereto, which include, but are not limited to, covenants relating to Franchisor's confidential information and intellectual property, a covenant not to compete, and a covenant of indemnification. Further, Franchisee shall honor all obligations required upon termination, including those listed in Section 18 of the Franchise Agreement.

2. Franchisee on his/her/its own behalf and on behalf of his/her/its servants, employees, heirs, successors and assigns does hereby release Franchisor, its officers, directors, shareholders, agents, parents, affiliates, subsidiaries, servants, employees, franchisees, partners, members, heirs, successors, principals and assigns ("Franchisor Released Parties"), from any and all claims, demands, causes of action, suits, debts, dues, duties, sums of money, accounts, reckonings, judgments, liabilities and obligations, both fixed and contingent, known and unknown, in law or in equity, under local law, state or federal law or regulation, from the beginning of time to the Effective Date, arising under or in connection with the Franchise Agreement or the business operated pursuant to the Franchise Agreement. Without limiting the generality of the foregoing, but by way of example only, the release shall apply to any and all state and federal antitrust, securities, breach of contract, fiduciary duty, or fraud claims and causes of action arising under or in connection with the Franchise Agreement to the extent permitted by law.

3. Franchisee has either been advised by independent counsel before signing this or, acknowledging the need for independent counsel, knowingly waives any such review and advice.

4. The governing law, methods of dispute resolution and any right to recovery of attorney's fees outlined in the Franchise Agreement shall apply to this Agreement as well.

5. This Agreement and the other documents referred to herein contain the entire agreement between the parties hereto pertaining to the subject matter hereof and supersede all prior agreements, except those contemplated hereunder. Any waiver, alteration or modification of any of the provisions of this Agreement or cancellation or replacement of this Agreement shall not be valid unless in writing and signed by the parties.

6. This Agreement shall be binding upon Franchisee and Franchisee's heirs and personal representatives and shall inure to the benefit of Franchisor and its respective successors and assigns. Franchisee may not assign this Agreement or any of the rights or obligations hereunder, without the express written consent of Franchisor.

7. Any waiver of any term of this Agreement by Franchisor will not operate as a waiver of any other term of this Agreement nor will any failure to enforce any provision of this Agreement operate as a waiver of Franchisor's right to enforce any other provision of this Agreement.

8. In the event any provision of this Agreement is ever deemed to exceed the limits permitted by any applicable law, the provisions set forth herein will be reformed to the extent necessary to make them reasonable and enforceable. The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of the remaining provisions, all of which are severable and will be given full force and effect.

9. This Agreement may be signed in counterparts, each of which when taken together shall form one valid and effective agreement which may be electronically signed, and any digital or electronic signatures (including pdf or electronically imaged signatures provided by DocuSign or any other nationally recognized digital signature provider) will be treated the same as handwritten signatures for the purposes of validity, enforceability and admissibility, and delivery of any such electronic signature, or a signed copy of this Agreement, may be made by email or other electronic transmission.

10. Franchisee must maintain the confidentiality of this Agreement and shall not disclose the terms of this Agreement to any person or persons, except (a) professional advisors for legitimate business purposes or as required by law, or (b) as otherwise permitted in writing by Franchisor, or (c) as reasonably necessary for enforcement of any rights and remedies pursuant to this Agreement. Nothing in this Agreement will prohibit Franchisee, when required pursuant to a lawfully issued subpoena or discovery request or demand from government or police agency, from complying with the requirements of law with such subpoena, discovery, demand or request; provided, however, that Franchisee will, unless restricted from doing so by the terms of the subpoena or other circumstances or requested not to do so by the government or police agency (for example a gag order or law or rule that prohibits Franchisee from acting) provide Franchisor written notice, with time to seek relief if it wishes from disclosure pursuant to the subpoena, within one week of receipt of the subpoena.

11. Non-disparagement. Franchisee expressly covenants and agrees not to make any false representation of facts, or to defame, disparage, discredit, or deprecate any of the Franchisor Released Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Franchisor Released Parties, their business, or their reputation.

For the State of Washington: The general release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above. This Agreement shall not be deemed effective until signed by both Parties.

FRANCHISOR

By:_____
Name:
Title:

FRANCHISEE

By:_____
Name:
Title

ATTACHMENT J

CONSENT TO TRANSFER

FORM OF TRANSFER AGREEMENT

This TRANSFER AGREEMENT (this "Agreement") is made and entered into as of the date executed by Franchisor (the "Effective Date"), by and among PARIS BAGUETTE FAMILY, INC. ("Franchisor"), _____ ("Transferor), _____ ("Transferor Guarantors"), _____ ("Transferee"), and _____ ("Transferee Guarantors).

WITNESSETH:

WHEREAS, a Franchise Agreement dated _____ (the "Franchise Agreement") was executed by and between Franchisor on the one hand, and Transferor on the other, for the operation of a franchised business at the Location as outlined on Attachment C to the Franchise Agreement (the "Franchised Business").

WHEREAS, Transferor desires to transfer to Transferee substantially all of the assets of the Transferor's business (the "Transferred Business") which business is responsible for operating the Franchised Business, and Transferor has requested that Franchisor consent to the transfer thereof to Transferee. This Agreement is executed and delivered simultaneously with, and as a condition of the closing of the sale of the aforementioned assets.

NOW, THEREFORE, in consideration of the mutual covenants and conditions herein contained, and other good and valuable consideration, receipt of which is hereby acknowledged by each of the parties hereto, the parties agree as follows:

AGREEMENT:

1. Recitals Included in Agreement. The parties incorporate into this Agreement the recitals set forth above as if set forth in full.

2. Consent. Franchisor hereby consents to and waives any right of first refusal in connection with the sale and the transfer by Transferor to Transferee (the "Transaction"), subject to the terms of this Agreement. Franchisor's consent to the Transaction is subject to and made in reliance upon the following terms, conditions, representations and warranties. Transferor's and/or Transferee's failure to comply with the terms of this Agreement will result in a default and render the Transaction void:

A. Transferor represents, warrants, covenants and agrees that each of the following are true and correct as of its date of execution, and shall remain true through the Closing (as defined herein):

(1) Transferor is the sole owner of, and possesses good and marketable right, title and interest in and to, the Transferred Business; and no other person or entity owns or has any right, title or interest in and to the Franchise Agreement, Franchised Business and the Transferred Business.

(2) Transferor Guarantor is the sole owners of Transferor, and no other person or entity has an equity or beneficial ownership interest in Transferor.

(3) The execution and delivery of this Agreement and the consummation of the Transaction do not conflict with or result in a breach of the terms and conditions of, accelerate any provision of, or constitute

a default under, the certificate of formation or operating agreement of Transferor, or any lease, contract, promissory note or agreement to which Transferor is a party or is bound.

(4) Transferor and Transferor Guarantor acknowledge and agree that by entering into this Agreement, all of Transferor's rights under the Franchise Agreement will be terminated as of the Closing however, Transferor and Transferor Guarantor shall continue to be bound by the post-termination restrictions and covenants contained in the Franchise Agreement and any schedules attached thereto. Transferor and Transferor Guarantor must sign a Termination Agreement and Release as a condition to Franchisor's consent hereunder.

B. Transferee represents, warrants, covenants and agrees that each of the following are true and correct as of its respective date of execution, and shall remain true through the Closing:

(1) Transferee will be the sole owner of and possess good and marketable right, title and interest in, and no other person or entity will own or have any right, title or interest in and to the Franchise Agreement, Franchised Business and the assets of the Transferred Business. Transferee will be executing a new Franchise Agreement. Transferee Guarantor is the sole owner of Transferee. Transferee's Guarantor will execute the Statement of Ownership Interest and Guaranty attached to the new Franchise Agreement.

(2) The execution and delivery of this Agreement and the consummation of the Transaction do not conflict with or result in a breach of the terms and conditions of, accelerate any provision of, or constitute a default under, the certificate of formation or operating agreement of Transferee, or any lease, contract, promissory note or agreement to which Transferee or Transferee Guarantor are a party or are bound.

(3) Transferee relied solely and exclusively on Transferee's own independent investigation of the franchise system and of the Franchised Business and the historical financial records of the Franchised Business provided to Transferee by Transferor; and based on the receipt of the actual historical performance of the Franchised Business it would not be reasonable to rely on the financial performance representation contained in Franchisor's Franchise Disclosure Document, or any other financial performance representation, pro forma or projection that differed or diverged, in whole or in part, from the Franchised Business' actual historical financial performance.

C. To the extent not already completed, Transferee (or Transferee Guarantor, if an entity) and any required employees shall attend and complete, to the satisfaction of Franchisor, Franchisor's training program required of new franchisees, at the time directed by Franchisor.

D. Transferee represents, warrants, covenants and agrees that all information furnished or to be furnished to Franchisor by Transferee in connection with Transferee's request to receive a transfer is and will be, as of the date such information is furnished, and through the date of the Closing, true and correct in all material respects and will include all material facts necessary to make the information not misleading in light of the circumstances.

E. Transferor and Transferee represent, warrant and agree that, subject to Franchisor's consent, Transferor will sell and transfer, and Transferee will acquire, the assets of the Transferred Business and that all legal actions necessary to effect the sale and transfer have been or will be accomplished prior to or at Closing.

F. Effective as of the day and time Transferee takes title of the assets of the Transferred Business ("Closing"), Transferee expressly agrees to be bound by and observe and faithfully perform all of the obligations, agreements, commitments and duties under the new Franchise Agreement. Only Transferor

will have the right to operate the Franchised Business until Closing, unless otherwise expressly agreed in writing.

3. Transferee will be required to pay _____ (the "Fee").

4. No Security Interests in the Assets of Transferee. The parties acknowledge and agree that Transferor is not permitted to retain a security interest in the assets of the Transferred Business or the franchise without Franchisor's prior consent.

5. Non-Participation. Transferor, Transferor's Guarantor, Transferee's Guarantor and Transferee jointly and severally, acknowledge and agree that, except for the preparation and execution of this Agreement, Franchisor has not participated in the Transaction between them and, therefore, has no knowledge of, and does not attest to, the accuracy of any representations or warranties made by or between Transferor and Transferee in connection with this transfer. Franchisor assumes no obligations in that regard. Transferor acknowledges and agrees that the sale of the assets of the Transferred Business is for Transferor's own account.

6. Insurance. Prior to Closing, Transferee must provide Franchisor with a Certificate of Insurance for the insurance coverages specified in the franchise agreement, which policy(ies) must name Franchisor and all related parties as an additional insured.

7. Changed Circumstances. All parties understand and acknowledge that Franchisor may, in the future, approve offerings and transfers under different terms, conditions and policies. Franchisor's consent and waiver in this instance shall not be relied upon in future transactions as indicative of Franchisor's position or the conditions that might be attached to future consents or waivers of its right of first refusal.

8. Singular Consent. Transferor and Transferee acknowledge and agree that Franchisor's execution of this Agreement is not intended to provide, and shall not be construed as providing, Franchisor's consent with regard to a transfer of any right or interest under any other agreement not specifically identified in this Agreement. Such consent must be separately obtained.

9. Validity. If any material provision or restriction contained herein shall be declared void or unenforceable under applicable law, the parties agree that such provision or restriction will be reformed to the extent necessary to make it valid and enforceable. To the extent a provision cannot be reformed, it shall be stricken, and the remainder of this Agreement will continue in full force and effect. Notwithstanding this Paragraph, however, the parties agree that, to the extent Franchisor suffers harm as a consequence of the striking of such provision or restriction, the other parties to this Agreement shall exercise best efforts to make Franchisor whole.

10. Indemnification. Transferor and Transferor Guarantor, jointly and severally, agree to indemnify, defend and hold harmless Franchisor and its predecessors, parents, successors and affiliates and any of their principals, owners, shareholders, employees or agents from and against any claims, losses, liabilities, costs or damages incurred by them as a result of or in connection with the transfer to Transferee or any dispute between Transferor and Transferee.

11. Counterparts. This Agreement may be signed in counterparts, each of which when taken together shall form one valid and effective agreement which may be electronically signed, and any digital or electronic signatures (including pdf or electronically imaged signatures provided by DocuSign or any other nationally recognized digital signature provider) will be treated the same as handwritten signatures for the

purposes of validity, enforceability and admissibility, and delivery of any such electronic signature, or a signed copy of this Agreement, may be made by email or other electronic transmission.

12. Miscellaneous. The parties hereto agree that this Agreement constitutes, upon the execution of this Agreement by all of the parties and after it has been accepted and executed by Franchisor, the complete understanding between the parties regarding the subject matter hereof, and no representation, agreement, warranties, or statement, oral or in writing, not contained herein, shall be of any force and effect against any party, except any Termination Agreement and Release and any new Franchise Agreement executed in connection with the transfer shall be valid and read in conjunction with this Agreement. The waiver by any party of any breach or violation of any provision of this Agreement will not operate or be construed as a waiver of any other or subsequent breach or violation hereof. This Agreement will be binding upon and inure to the benefit of the parties, and their respective heirs, executors, successors and assigns. The governing law and methods of dispute resolution in the Franchise Agreement shall govern this Agreement as well.

13. Agreement Survives Closing. All representations, warranties, terms and conditions set forth in this Agreement shall survive the execution and delivery of this Agreement, the Closing, and the consummation of the Transaction provided for herein.

14. Review of Agreement and Representation. Transferor, Transferor Guarantor, Transferee Guarantor and Transferee each represent and acknowledge that he/she/it has received, read and understands this Agreement and that Franchisor has fully and adequately explained the provisions to each to their satisfaction; and that Franchisor has afforded each of them ample time and opportunity to consult with advisors of their own choosing about the potential benefits and risks of entering into this Agreement.

I HAVE READ THE ABOVE AGREEMENT. I WOULD NOT SIGN THIS AGREEMENT, IF I DID NOT UNDERSTAND IT AND AGREE TO BE BOUND BY ITS TERMS.

FRANCHISOR:

PARIS BAGUETTE FAMILY, INC.

By:
Name:
Dated: _____

TRANSFEROR:

By: _____
Name:
Title:
Dated: _____

TRANSFEROR'S GUARANTORS:

_____
Name:
Dated: _____

TRANSFEREE:

By: _____
Name:
Title:
Dated: _____

TRANSFEREE'S GUARANTORS:

_____
Name:
Dated: _____

ATTACHMENT K

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSUMPTION AND ASSIGNMENT AGREEMENT (the **"Agreement")** is made and entered into as of the date this Agreement is executed by Franchisor (the "**Effective Date**") by and among PARIS BAGUETTE FAMILY INC. ("**Franchisor**"), _____ an individual with an address at _____("**Assignor")** and **_____ ("Assignee")**.

BACKGROUND

A. Assignor and Franchisor entered into a certain Franchise Agreement dated _____(the **"Franchise Agreement")** whereby Assignor was given the right and undertook the obligation to operate a Paris Baguette Café (the "**Franchised Business**") at the Location listed on Attachment C to the Franchise Agreement.

B. Assignor has organized and incorporated Assignee for the convenience and sole purpose of owning and operating the Franchised Business.

C. Assignor desires to assign the rights and obligations under the Franchise Agreement to Assignee pursuant to and in accordance with the provisions of the Franchise Agreement.

D. Franchisor is willing to consent to the assignment of the Franchise Agreement to Assignee, subject to the terms and conditions of this Agreement, including the agreement by Assignor to guarantee the performance by Assignee of its obligations under the Franchise Agreement.

AGREEMENT

In consideration of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, and intending to be legally bound, the parties agree as follows:

1. Assignor hereby assigns and transfers over to Assignee all right, title and interest in and to the Franchise Agreement, effective as of the Effective Date.

2. Assignee hereby assumes all of Assignor's obligations, agreements, commitments, duties and liabilities under the Franchise Agreement, and agrees to be bound by and observe and faithfully perform all of the obligations, agreements, commitments and duties of the Franchisee thereunder with the same force and effect as if the Franchise Agreement were originally written with Assignee as Franchisee.

3. Exhibit A to this Agreement lists all of Assignee's owners and their interests in Assignee as of the Effective Date. Assignee agrees that it and its owners will sign and deliver to Franchisor a revised Exhibit A to reflect any permitted changes in the information that Exhibit A now contains.

4. The Assignor (and any unaffiliated spouse), as an owner of Assignee and in consideration of benefits received and to be received, shall sign and deliver to Franchisor a personal guaranty in the form attached as Exhibit B to this Agreement.

5. Assignor, for himself/herself and his/her agents, servants, employees, partners, members, heirs, predecessors, successors and assigns does hereby release Franchisor, its officers, directors, shareholders, agents, affiliates, subsidiaries, servants, employees, partners, members, heirs, successors and

assigns, from any and all claims, demands, causes of action, suits, debts, dues, duties, sums of money, accounts, reckonings, judgments, liabilities and obligations, both fixed and contingent, known and unknown, in law or in equity, under local law, state or federal law or regulation which he/she had, from the beginning of time to this date, arising under or in connection with the Franchise Agreement.

6. Assignee agrees that the Franchised Business which Assignee will operate will be the only business Assignee operates (although Assignor may have other, non-competitive business interests).

7. This Agreement shall be binding upon and inure to the benefit of the parties and their heirs, successors and assigns.

8. The governing law and methods of dispute resolution in the Franchise Agreement shall govern this Agreement as well.

9. This Agreement, and the documents referenced herein, shall constitute the entire integrated agreement between the parties with respect to the subject matter contained herein and shall supersede any prior agreements, verbal or written. This Agreement shall not be subject to change, modification, amendment or addition without the express written consent of all the parties.

10. If Franchisor retains the services of legal counsel to enforce the terms of this Agreement, Franchisor shall be entitled to recover all costs and expenses, including travel, reasonable attorney, expert and investigative fees, incurred in enforcing the terms of this Agreement.

11. Each party declares that the terms of this Agreement have been completely read and are fully understood and voluntarily accepted by each party, after having a reasonable opportunity to retain and confer with counsel.

12. The obligations of Assignor and Assignee under this Agreement shall be joint and several.

I HAVE READ THE ABOVE AGREEMENT AND UNDERSTAND ITS TERMS. I WOULD NOT SIGN THIS AGREEMENT IF I DID NOT UNDERSTAND AND AGREE TO BE BOUND BY ITS TERMS.

ASSIGNOR:

_____

Dated: _____

ASSIGNEE:

By:_____
Name:
Title:

Dated: _____

FRANCHISOR:

PARIS BAGUETTE FAMILY INC.

By: _____
Name:
Title:

Dated: _____

EXHIBIT A TO PARIS BAGUETTE FAMILY INC
ASSUMPTION AND ASSIGNMENT AGREEMENT

STATEMENT OF OWNERSHIP INTERESTS

PARIS BAGUETTE

Franchisee Owners

1. **Form of Owner**. (Choose (a) or (b))

(a) **Individual Proprietorship**. List individual(s):

_____

_____

_____

(b) **Corporation, Limited Liability Company, or Partnership:**

Name: _____
Date of incorporation or formation: _____
State of incorporation of formation: _____

The following is a list of your directors/managers/officers, as applicable, and officers as of the date of execution:

Name of Each Director/Manager/Officer	Position(s) Held

2. **Principals**. The following list includes the full name of each person or entity who is one of your owners and fully describes the nature of each owner's interest (attach additional pages if necessary).

	Principal's Name	Percentage/Description of Interest
(a)		
(b)		
(c)		
(d)		

3. **Identification of Operating Principal**. Your Operating Principal is _____ _____(must be one of the individuals listed in paragraph 2 above. You may not change the Operating Principal without prior written approval. The Operating Principal is the person authorized to receive communications regarding this Agreement).

Address: _____
_____

E-mail Address: _____

FRANCHISEE

By: _____
Name:
Title:

Dated: _____

PARIS BAGUETTE FAMILY INC.

By: _____
Name:
Title:

Dated: _____

EXHIBIT B TO PARIS BAGUETTE FAMILY INC
ASSUMPTION AND ASSIGNMENT AGREEMENT

GUARANTY

The undersigned persons designated as "Principals" hereby represent to Paris Baguette Family Inc. ("Franchisor") that they are all of the shareholders of, or all of the general partners of, all of the members and managers of, _____ ("Franchisee"), as the case may be. Each such Principal also represents that his or her spouse is also listed herein as a "Spousal Guarantor". In consideration of the grant by Franchisor to _____, as provided under the franchise agreement dated _____, and later assigned to Franchisee (the "Franchise Agreement"), each of the undersigned agrees, in consideration of benefits received and to be received by each of them, jointly and severally, and for themselves, their heirs, legal representatives and assigns that they, and each of them, shall be firmly bound by all of the terms, provisions and conditions of the foregoing Franchise Agreement, that they and each of them do unconditionally guarantee the full and timely performance by Franchisee of each and every obligation of Franchisee under the Franchise Agreement, including, without limitation, any indebtedness of Franchisee arising under or by virtue of the Franchise Agreement to Franchisor and/or its affiliate, and that they and each of them shall not permit or cause any change in the percentage of Franchisee owned, directly or indirectly, by any person, without first notifying Franchisor of said proposed transfer and obtaining the prior written consent of Franchisor, following Franchisor's transfer procedures and without first paying or causing to be paid to Franchisor any required transfer fee. The undersigned further agree to be bound by the in-term and post-termination covenants of the Franchise Agreement including, without limitation, those relating to confidentiality and non-competition. The undersigned also agree that the governing law and methods for resolution of disputes which govern this Guaranty shall be the same as those outlined in the Franchise Agreement.

EACH GUARANTOR ACKNOWLEDGES THAT HE OR SHE HAS READ THIS PERSONAL GUARANTY, UNDERSTANDS ITS TERMS, AND GUARANTOR WOULD NOT SIGN THIS PERSONAL GUARANTY IF GUARANTOR DID NOT UNDERSTAND AND AGREE TO BE BOUND BY ITS TERMS.

Undersigned:

Principals:	Spousal Guarantors:
_____	_____
Print Name:	Print Name:
Dated: _____	Dated:_____
_____	_____
Print Name:	Print Name:
Dated: _____	Dated:_____

Exhibit D

LIST OF FRANCHISEES

Paris Baguette Family, Inc.

EXHIBIT D

LIST OF FRANCHISEES AS OF DECEMBER 31, 2024

Franchisees with Open Locations:

Franchisee Contact	Phone #	Store Name	Store Address	State
Dong Yoon Lee *	201-870-2376	H MART MESA	1919 W. Main St., Mesa, AZ 85201	AZ
Seheuk Yoon (Sam) *	949-344-6461	UPTOWN PHOENIX	5120 N. Central Ave. Suite 110, Phoenix, AZ 85012	AZ
Seheuk Yoon (Sam) *	949-344-6461	SCOTTSDALE	16496 N Scottsdale Rd., Scottsdale, AZ 85254	AZ
Allen Hwang *	626-223-8609	ARCADIA	7 Las Tunas Drive Suite A, Arcadia, CA 91007	CA
Sang Jun (David) Lee *	714-393-1050	BREA	730 E. Imperial Hwy, Brea, CA 92821	CA
Sukhwinder Singh *	925-301-7783	LONE TREE VILLAGE	5951 Lone Tree Way Ste 200, Brentwood, CA 94513	CA
Danny Chang	714-788-4488	BUENA PARK	5307 Beach Blvd. #108, Buena Park, CA 90621	CA
JiSook Kim*/Lisa Jung	714-512-1726	CARLSBAD	2508 El Camino Real Suite B-1, Carlsbad, CA 92008	CA
Aeree Kim/Myung Kang	818-282-0213	CARMENITA	17416 Carmenita Rd., Cerritos, CA 90703	CA
Andrew (Suk) Yoo*/Patrick (Dong) Kim *	951-387-2833	CHINO HILLS	2923 Chino Ave. #H1, Chino Hills, CA 91709	CA
Kap Do No *	619-793-8058	CHULA VISTA	2020 Birch Rd. #102, Chula Vista, CA 91915	CA
Ducksil Youn *	702-427-8212	CUPERTINO	20735 Stevens Creek Blvd., Cupertino, CA 95014	CA
Sang Jun (David) Lee *	714-393-1050	DIAMOND BAR	21050 Golden Springs Dr. #C-105, Diamond Bar, CA 91789	CA
Paul Tsai	408-892-8878	DUBLIN	7150 Regional St, Dublin, CA 94568	CA
Victor Oh*/Julian Kim	562-405-6647	ENCINO	17136 Ventura Blvd., Encino, CA 91316	CA
Yue Shao *	510-648-1221	FREMONT	5009 Mowry Ave, Fremont, CA 94538	CA
Yue Shao *	510-648-1221	MISSION BLVD	46663 Mission Blvd., Fremont, CA 94539	CA
Andrew (Suk) Yoo*/Patrick (Dong) Kim *	951-387-2833	COLLEGE PLAZA	2400 E. Chapman Ave., Fullerton, CA 92832	CA
Mike Jonghwa Park *	714-321-0399	FULLERTON	1661 W Orangethorpe Ave., Fullerton, CA 92833	CA
Andre k Kim/SangJin Chun	714-501-6653	GARDEN GROVE BLVD	8899 Garden Grove Blvd., Garden Grove, CA 92844	CA
Buu Nguyen *	714-915-2434	CHAPMAN AVE	9885 Chapman Ave, Garden Grove, CA 92841	CA
Kyu Sang Kim	714-745-0121	GLENDALE	818 N Pacific Ave. # E, Glendale, CA 91203	CA
Ankit/Rashu Bhatnagar *	408-368-3747	HAYWARD	29213 Mission Blvd., Hayward, CA 94544	CA
Buu Nguyen*/Kah Thai/Leo Nguyen	714-915-2434	CROSSROADS	3850 Barranca Pkwy, Ste F, Irvine CA 92606	CA
Oak Ja Park	626-826-6657	HERITAGE PLAZA	14450 Culver Dr, Irvine, CA 92604	CA
Suk Yoo (Andrew)*/Taek Chung (Christine) *	949-688-3880	WOODBURY TOWN CENTER	6278 Irvine Blvd., Irvine, CA 92620	CA
Ducksil Youn *	702-427-	ZION MARKET	4800 Irvine Blvd., Irvine, CA 92620	CA

	8212	IRVINE		
Andrew (Suk) Yoo *	949-688-3880	CAMPUS PLAZA	4503 Campus Drive, Irvine, CA 92612	CA
Young Park *	213-703-7033	LA HABRA	1370 S. Beach Blvd., La Habra, CA 90631	CA
Dara Dejbakhsh *	949-233-3877	LAKE FOREST	23621 El Toro Road Ste B, Lake Forest, CA 92630	CA
Allen Hwang *	626-223-8609	WESTERN	125 N. Western Ave. #101, Los Angeles, CA 90004	CA
Hyung Kook Choi	310-961-1311	OLYMPIC	3060 W. Olympic Blvd. Ste 100, Los Angeles, CA 90006	CA
Eric Seo *	815-483-5908	ALEXANDRIA	3470 W. 6th Street #4, Los Angeles, CA 90020	CA
Kevin Hwang *	858-775-9643	ZION MARKET LA	3525 W. 8th St., Los Angeles, CA 90005	CA
Ho Suk Yoon *	949-599-5286	MADANG	621 S Western Ave., Los Angeles, CA 90010	CA
Ho Suk Yoon *	949-599-5286	WILSHIRE BLVD	3785 Wilshire Blvd. #107E, Los Angeles, CA 90010	CA
Victor Oh *	562-405-6647	DTLA 8TH	404 W. 8th St., Los Angeles, CA 90015	CA
Victor Oh *	562-405-6647	DTLA 9TH	902 S. Los Angeles St., Los Angeles, CA 90015	CA
Wen Li *	650-867-8888	MILLBRAE	655 Broadway, Millbrae, CA 94030	CA
Ducksil Youn *	702-427-8212	MILPITAS	249 W. Calaveras Blvd., Milpitas, CA 95035	CA
Josef Mamaliger/Alexander Plugar	818-602-3831	MONROVIA	314 S. Myrtle Ave., Monrovia, CA 91016	CA
Wen Li *	650-303-3987	MOUNTAIN VIEW	315 Castro St., Mountain View, CA 94041	CA
Tae hoon Kim *	213-377-8253	NORTHRIDGE	18697 Devonshi Street, Northridge, CA 91324	CA
Joy Pak/Narea Shin	925-784-4712	PLEASANT HILL	35 Crescent Drive, Pleasant Hill, CA 94523	CA
Shahla Vatannia/Nivad Navid	925-997-1295	PLEASANTON	6700 Santa Rita Rd, Pleasanton, CA 94588	CA
Sudhir & Michelle Hira *	530-788-5552	ROSEVILLE	1050 Pleasant Grove Blvd, Roseville, CA 95678	CA
Joon Bae Cho	916-792-3066	SACRAMENTO	1229 Howe Ave, Sacramento, CA 95825	CA
Eddie Cha (Myungjin Cha)	646-884-2853	SAN CARLOS	622 Laurel St., San Carlos, CA 94070	CA
Ji Sook Kim *	714-512-1726	H MART SAN DIEGO	9440 Mira Mesa Blvd., San Diego, CA 92126	CA
Yue Shao *	510-648-1221	H MART SAN FRANCISCO	3995 Alemany Blvd., San Francisco, CA 94132	CA
Yue Shao *	510-648-1221	550 MARKET	550 Market St., San Francisco, CA 94104	CA
George Lin	626-319-0855	SAN GABRIEL	708 W. Las Tunas Dr., San Gabriel, CA 91776	CA
Thuynga(Nikki) Lu *	408-893-9946	SAN JOSE	685 Saratoga Ave. #10, San Jose, CA 95129	CA
Shahram Maghamifar (Sean)	510-520-2206	GRAND CENTURY MALL	1111 Story Rd. #1076, San Jose, CA 95122	CA
Joshua Kim	415-465-0608	PACIFIC RIM PLAZA	1698 Hostetter Rd. #N, San Jose, CA 95131	CA
Lu Long/Nikki Long	408-921-7750	BRANHAM	1112 Branham Ln, San Jose, CA 95118	CA
Wen Li *	650-867-8888	SAN MATEO	208 E. 3rd Ave., San Mateo, CA 94401	CA
Toan Tran	408-477-	MERCADO	3159 Mission College Blvd., Santa Clara, CA	CA

	9400		95054	
Yue Shao *	510-648-1221	SANTA CLARA	3561 El Camino Real, Santa Clara, CA 95051	CA
Yue Shao *	510-648-1221	2470 EL CAMINO REAL	2470 El Camino Real, Santa Clara, CA 95051	CA
Wen Li *	650-867-8888	SOUTH SAN FRANCISCO	2278 Westborough Blvd. #202, South San Francisco, CA 94080	CA
Hyunjung Jae/ Woojin Lee	408-831-8364	SUNNYVALE	598 E. El Camino Real, Sunnyvale, CA 94087	CA
Dong Yoon Lee *	201-870-2376	TORRANCE HANNAM MARKET	21305 Hawthorne Blvd Suite 100, Torrance, CA 90503	CA
Sang Jun (David) Lee *	714-393-1050	WEST COVINA	310 S. Gelndora Ave., West Covina, CA 91790	CA
Tae hoon Kim *	213-377-8253	WOODLAND HILLS	21753 Ventura Blvd., Woodland Hills, CA 91364	CA
Annie Song *	720-552-1237	THE GARDENS ON HAVANA	10601 E Garden Dr #105, Aurora, CO 80012	CO
Eric Grubbs/ Jenna Grubbs /Caroline Grubbs	817-2916119	PARKER	18374 Cottonwood Dr., Parker, CO 80138	CO
Hamed Saraj *	201-314-4350	DELRAY BEACH	1911 S Federal Hwy, Delray Beach, FL 33483	FL
Fiona Zhang/Hong Rickett	309-444-0668	WINTER GARDEN	15996 New Independence Pkwy Suite 120, Winter Garden, FL 34787	FL
Jun Hyung Lee *	770-316-5684	ASHFORD LANE	4511 Olde Perimeter Way #800, Atlanta, GA 30346	GA
Jun Hyung Lee *	770-316-5684	THE EXCHANGE	2925 Buford Drive, Buford, GA 30519	GA
Eric Seo *	815-483-5908	BUFORD	5252 Buford Hwy., Doraville, GA 30340	GA
Jun Hyung Lee *	770-316-5684	THE HAVEN SUWANEE	1290 Old Peachtree Rd NW, Duluth, GA 30097	GA
Sooryn Oh/Sukja Oh	901-355-5300	DULUTH	3492 Satellite Blvd. #100, Duluth, GA 30096	GA
Robert K. Kurisu	808-439-8127	1000 BISHOP	1000 Bishop St #104, Honolulu, HI 96813	HI
Eric Seo *	815-483-5908	H MART CHICAGO	711 W. Jackson Blvd., Chicago, IL 60661	IL
Tommy(Chao) Tao/Jiazha Chen	312-956-5321	CHICAGO CHINATOWN	2239 S. Wentworth Ave., Chicago, IL 60616	IL
Li Peng Zeng *	312-404-1886	1100 S MICHIGAN	1100 S. Michigan Ave., Chicago, IL 60605	IL
Li Peng Zeng*/Wei Ping Law	312-404-1886	STREETERVILLE	325 East Illinois, Chicago, IL 60611	IL
Liborio Cangelosi	847-551-1020	GLEN ELLYN	549 Roosevelt Road, Glen Ellyn IL 60137	IL
Eric Seo *	815-483-5908	GLENVIEW	610 Milwaukee Ave. Unit 100, Glenview, IL 60025	IL
Eric Seo *	815-483-5908	H MART NAPERVILLE	1295 E.. Ogden Ave., Naperville, IL 60563	IL
Eric Seo *	815-483-5908	H MART NILES	801 Civic Center Drive, Niles, IL 60714	IL
Mohamad Touffaha * (Mike Issa) *	316-308-5507	WICHITA	9780 E. 21st Street North, Wichita, KS 67206	KS
Gong Lu *	857-272-0136	H MART CAMBRIDGE	581 Massachusetts Ave., Cambridge, MA 02139	MA
Gong Lu *	857-272-0136	QUINCY	189 Hancock Street, Quincy, MA 02171	MA
Michael Canterino *	610-745-5448	GERMANTOWN	21040-G Fredrick Rd., Germantown, MD 20876	MD
Jeremy Zhang* /Lei Sun*/Victoria Doung	703-618-1330	ROCKVILLE	101 Gibbs St., Rockville, MD 20850	MD
Muhammed Zahr *	313-520-	BIRMINGHAM	183 N old Woodward, Birmingham, MI 48009	MI

	1567			
Muhammed Zahr *	313-520-1567	DEARBORN	21400 Michigan Ave., Dearborn, MI 48126	MI
Brian Y*i/Hanna Kim	612-791-1552	MAPLE GROVE	7855 Elm Creek Blvd, Maple Grove MN 55369	MN
Bowen Kou *	517-763-1998	RELEIGH	10341 Moncreiffe Rd., Releigh, NC 27617	NC
Dennis Ahn *	980-331-1022	MONTGOMERY	2311 US Hwy 206 Unit 101, Belle Mead, NJ 08502	NJ
Burt Eng	908-591-0883	CHIMNEY ROCK BRIDGEWATER	308 Chimney Rock Rd., Bridgewater, NJ 08805	NJ
Tina Lee (Ya Hsuan Lee)/Jason Lui	917-941-8297	EDISON	1739 State Route 27, Edison, NJ 08817	NJ
Chong Pil Yim (Rodney/Jaison) *	201-375-0120	HUDSON LIGHTS	185 Main St. #8C, Fort Lee NJ 07024	NJ
Chong Pil Yim (Rodney/Jaison) *	201-375-0120	FORT LEE	1635 Lemoine Ave., Fort Lee, NJ 07024	NJ
Michael Chung / Jun Oh	201-290-3745	HACKENSACK	450 Hackensack Ave #21., Hackensack, NJ 07601	NJ
Earl Koskie III *	385-985-8555	HOBOKEN MAXWELL LANE	1000 Maxwell Lane Unit G100, Hoboken, NJ 07030	NJ
Meghna Neghandhi *	917-774-3145	LIVINGSTON	277 Eisenhower Pkwy, Livingston, NJ 07039	NJ
Fahad Kananeh/Susan Saa	973-400-9606	MORRISTOWN	10 Lafayette Avenue, Morristown NJ 07960	NJ
Monica Ye (Mao Ye) *	732-485-6988	NORTH BRUNSWICK	754 Shoppes Blvd, North Brunswick Township, NJ 08902	NJ
Jinoh Ahn	646-204-6277	NORTHVALE	260 Livingston St, Northvale, NJ 07647	NJ
Earl Koskie III *	385-985-8555	OLD BRIDGE	2060-101 US-9, Old Bridge, NJ 08857	NJ
Chong Pil Yim (Rodney/Jaison) *	201-375-0120	PALISADES PARK	408 Broad Ave., Palisades Park, NJ 07650	NJ
Khurram Iqbal *	646-618-4128	PARAMUS	67 E Ridgewood Ave, Paramus, NJ 07652	NJ
Srilekha Vangala*/Sridevi Salagrama *	732-986-8836	PLAINSBORO	10 Schalks Crossing Rd. Unit 601, Plainsboro, NJ 08536	NJ
Monica Ye (Mao Ye) *	732-485-6988	PRINCETON	157 Nassau Park Blvd., Princeton, NJ 08540	NJ
Harsh P. Patel *	732-857-6802	REDBANK	128 Broad Street, Red Bank, NJ 07701	NJ
Chong Pil Yim (Rodney/Jaison) *	201-375-0120	H MART RIDGEFIELD	321 Broad Ave. #3, Ridgefield, NJ 07657	NJ
Ardeshir Mohtaram	201-563-7001	RIDGEWOOD	24 Franklin Ave., Ridgewood, NJ 07450	NJ
Ke Wan (Christina, Richard)	917-697-659	WEST NY	17 Ave at Port Imperial Blvd., West NY, NJ 07093	NJ
Helen Kim *	702-820-0909	SPRING MOUNTAIN	4115 Spring Mountain Rd. #E101, Las Vegas, NV 89102	NV
Helen Kim *	702-820-0909	S. DECATUR BLVD.	2610 S. Decatur Blvd., Las Vegas, NV 89102	NV
Amer Nadeem	917-379-6000	ASTORIA	22-20 31st St., Astoria, NY 11105	NY
Meghna Neghandhi *	347-337-5719	ASTORIA 30TH AVE	31-08 30th Ave., Astoria, NY 11102	NY
Cindy Park (Piao) *	646-588-9068	NORTHERN BAYSIDE	210-20 Northern Blvd., Bayside, NY 11361	NY
Cindy Park (Piao) *	646-588-9068	H MART BAYSIDE	46-40 Francis Lewis Blvd., Bayside, NY 11361	NY
Hui (Aron) Teng*/Yong Xu *	347-238-8927	BENSONHURST	20-06 86th Street, Brooklyn NY 11214	NY
Sarabjit Lamba*/Alex Hsieh *	516-443-	BROOKLYN	97 Court St., Brooklyn, NY 11201	NY

	0000	HEIGHTS		
Hui Teng (Aron) *	347-238-8927	SUNSET PARK	5810 8th Ave., Brooklyn, NY 11220	NY
Suzana Wu, Zeng Hui Lei, Qin Zhao	646-725-6140	Park Slope Brooklyn, NY	532 5th Ave, Brooklyn, NY 11215	NY
Sam Lamba (Sarabjit Lamba) *	516-805-5000	COMMACK	40 Veterans Memorial Hwy, Commack, NY 11725	NY
Meghna Neghandhi *	343-337-5719	JUNCTION BLVD	37-38 Junction Blvd, Corona, NY 11368	NY
Hetal Doshi/Meghna Neghandhi *	917-774-3145	ELMHURST	40-22 82nd Street, Elmhurst, NY 11373	NY
Tina Ma *	917-981-4255	REGO PARK	96-33 Queens Blvd, Flushing, NY 11374	NY
Cindy Park (Piao) *	646-588-9068	NORTHERN FLUSHING	156-24 Northern Blvd., Flushing, NY 11354	NY
Shauny Lamba*/Ashley Zhang *	917-681-1688	QUEENS CROSSING	136-17 39th Ave., Flushing, NY 11354	NY
Sarabjit Lamba*/Alex Hsieh *	516-443-0000	UNION ST	29-44 Union St., Flushing, NY 11354	NY
Tina Ma *	917-981-4255	FOREST HILLS	10708 Continental Ave., Forest Hills, NY 11375	NY
Shauny Lamba*/Ashley Zhang*	917-681-1688	WESTBURY PLAZA	924 Old Country Road, Garden City, NY 11530	NY
Naim Osmond*/Imdad Ali/Ibrahim Akibeh *	516-437-0111	HARTSDALE	385 N Central Ave, Hartsdale, NY 10530	NY
Shauny Lamba *	516-443-0000	HUNTINGTON STATION	350 Walt Whitman Rd, Huntington, NY 11746	NY
Joon Jung/Yeonseok Song	707-379-1173	ITHACA	125 E State Street, Ithaca, NY 14850	NY
Cindy AJ Piao (Park) *	646-588-9068	LITTLE NECK HORACE	249-14 Horace Harding Expy, Little Neck, NY 11326	NY
Cindy Park (Piao) *	646-588-9068	LITTLE NECK NORTHERN	252-20 Northern Blvd., Little Neck, NY 11362	NY
Yong Chen *	917-518-0388	LONG ISLAND CITY	27-35 Jackson Ave., Long Island City, NY 11101	NY
Yeong Shim	201-410-1240	FULTON MARKET	55 Fulton St., New York, NY 10038	NY
Jiazhao Chen*, Terrance Tam & Chao Tao	607-319-9239	244 GRAND	244 Grand St., New York, NY 10002	NY
Wen Li *	650-867-8888	1270 LEXINGTON	1270 Lexington Ave., New York, NY 10028	NY
Wen Li *	650-867-8888	52ND & LEXINGTON	591 Lexington Ave., New York, NY 10022	NY
Poonam Sharma	516-851-8055	990 6TH	990 6th Ave, New York, NY 10018	NY
Shauny Lamba*/Ashley Zhang*	917-681-1688	PLAINVIEW	381 S. Oyster Bay Road, Plainsview, NY 11803	NY
Jigar Shah, Hatel Doshi, Rajesh Shah/Meghna	917-545-3036	JACKSON HEIGHTS	88-16 Northern Blvd., Queens, NY 11372	NY
Alex C. Hsieh*/Jessica Lin*/Wenbo Shan *	917-682-7212	TYSENS PARK	2742 Hylan Blvd., Staten Island, NY 10306	NY
ChangKyu Kim	718-353-6516	SUNNYSIDE	45-22 46th St., Sunnyside, NY 11104	NY
Naim Osmond*/Imdad Ali/Ibrahim Akibeh *	516-437-0111	YONKERS	1771 Central Park Ave., Yonkers, NY 10701	NY
Ai Lin	513-628-8888	CINCINNATI	100 W 4th St, Cincinnati, OH 45202	OH
Yong Ki Hong *	405-409-4342	ROOKWOOD EXCHANGE	3831 Edwards Rd. Unit 400B, Cincinnati, OH 45209	OH
Sridhar Talluri/Mayuri Talluri	845-616-9052	EASTON TOWN CENTER	3969 Merchant Row, Columbus, OH 43219	OH
Ebram Botras	614-556-	POLARIS	8839 Lyra Drive, Columbus, OH 43240	OH

	2005			
Dara Dejbakhsh *	949-233-3877	BEAVERTON	2725 SW Cedar Hills Blvd Ste 105, Beaverton, OR 97005	OR
Parth Shroff/Ketty Shroff/Drashti Patel	267-980-0211	UPPER DUBLIN	1665 Limekiln Pike, Dresher, PA 19025	PA
David Ahn*	812-606-4424	H MART ELKINS PARK	7300 Old York Road, Elkins Park, PA 19027	PA
Xiu Chen*/Zengxing Li*/Haichun Wu*/Joko Waskito *	646-726-0946	ARCH ST	923 Arch St., Philadelphia, PA 19107	PA
Jung Ahn*/Kenny Poon, David Tiang	856-308-3817	UNIVERSITY CITY	3816 Chestnut St., Philadelphia, PA 19104	PA
Xiu Chen*/Zengxing Li*/Haichun Wu*/Joko Waskito *	646-726-0946	600 WASHINGTON AVE	600 Washington Ave. unit #18E, Philadelphia, PA 19147	PA
David Ahn*/Nayun Kim	267-241-0647	H MART PHILLY	6201 N. Front St., Philadelphia, PA 19120	PA
Joko Waskito*/Ratna Arro	215-410-2308	CHESTNUT ST	1717 Chestnut Ave., Philadelphia, PA 19103	PA
Asif Shah	412-901-3626	NORTH HILLS	8013 McKnight Road Unit #300B, Pittsburgh, PA 15237	PA
Jung Ahn *	856-308-3817	H MART UPPER DARBY	7050 Terminal Square, Upper Darby, PA 19082	PA
Wei Zhu *	843-422-2509	HILTON HEAD	95 Mathews Drive, Hilton Head Island, SC 29926	SC
Jiyoung (Hanna) Chen	256-270-5395	CHURCH ST	1109 Church Street, Nashville, TN 37203	TN
Rahul Rai*/April Lazo/Parminder Sokhi/Sonia Khosla	972-215-9336	ALLEN	824 W. Stacy RD Ste 800, Allen, TX 75013	TX
Jimmy Cho *	214-516-1073	AIRPORT BLVD	110 Jacob Fontaine Ln., Austin, TX 78752	TX
Jin An	817-235-6963	COPPELL	1535 S Belt Line Rd #100, Coppell, TX 75019	TX
Rebekah Kim *	469-583-5365	CARROLLTON	2625 Old Denton Rd #106, Carrollton, TX 75007	TX
James Jung	213-700-2818	FRISCO MAIN ST	3420 Main St. Ste 100, Frisco, TX 75035	TX
Young Seo/Yong Kim/Jimmy Cho *	817-678-566	GRAND PRAIRIE	2625 Pioneer Parkway, Grand Prairie, TX 75051	TX
Jim Wang (Fu Ching) *	650-906-6308	WESTHEIMER RANCH	12230 Westheimer Road, Houston, TX 77077	TX
Nancy Aguilera (Hwan Kim)	713-924-8561	BLALOCK	1304 Blalock Rd Suite F, Houston, TX 77055	TX
Jim Wang *	650-906-6308	BELLAIRE	9112 Bellaire Blvd., Houston, TX 77036	TX
Jim Wang *	650-906-6308	KATY	23119 Colonial Pkwy Suite B-6, Katy, TX 77450	TX
Gyu M Hwang	858-583-6432	LEWISVILLE	2405 S. Stemmons Fwy, Lewisville, TX 75067	TX
Jorge Molina Martinez	346-386-7926	WOODLANDS	2501 Research Forest Dr. Suite C, The Woodlands, TX 77381	TX
Su Hyun Kim	801-907-0994	MIDVALE	950 Fort Union Blvd., Midvale, UT 84047	UT
Sam Sadeghi *	301-814-5044	SEMINARY PLAZA	4616 Kenmore Ave., Alexandria, VA 22304	VA
Yulia Kook *	901-292-5503	BRAMBLETON	23710 Schooler Plaza Suite 130, Ashburn, VA 20148	VA
Sean Hyunjun Shin *	703-505-3456	CENTREVILLE	14240 Centerville Square suite B, Centerville, VA 20121	VA
Sean Kim*/Sean Moon	703-307-6799	H MART FAIRFAX	11200 Fairfax Blvd, Fairfax, VA 22030	VA
Farooq Siddiqui*/Alma Causevic Siddiqui *	703-969-6403	ARROWBROOK CENTRE	2324 Silver Arrow Way Unit C-1, Herndon, VA 20171	VA
Sean Shin *	571-338-	MANASSAS	9765 Liberia Ave., Manassas, VA 20110	VA

	1230			
Sean Kim *	703-307-6799	MCLEAN	8344 Broad St, McLean, VA 22102	VA
Gihong Lee	703-402-5707	SPRINGFIELD	6811 Bland St. #C005, Springfield, VA 22150	VA
Yoon Chang *	206-355-3720	ALDERWOOD MALL	18602 Alderwood Mall Pkwy #1115, Lynnwood, WA 98037	WA
Edwin Chang	206-335-1960	TUKWILA	17095 Southcenter Parkway, Tukwila WA 98188	WA

*Denotes a multi-unit operator
ALPHABETICAL

Franchisees with Unopened Locations:

Franchisee Contact	Address	Phone #	Store Name (Area)	State
Chetan Khatni	2055 W. Frye Rd., #3, Chandler, AZ 85224	928-446-6605	Baseline Road	AZ
Seheuk Yoon *	381 Sawbuck, Irvine, CA 92618	949-344-6461	35450 Chandler Boulevard	AZ
Dong Hyeok Heo	312 Wind Poppy St., Las Vegas, NV 89138	607-319-9239	Peoria AZ	AZ
Nima Afzalian	11645 E. Del Timbre Dr., Scottsdale, AZ 85259	480-330-3560	6TH Avenue Scottsdale	AZ
Dara Dejbakhsh *	27261 Las Ramblas, Ste 100, Mission Viejo, CA 92691	949-233-3877	Alisa Viejo	CA
Lorriana Pang	12 Keswick, Irvine, CA 92620	818-799-9957	Anaheim	CA
Sukhwinder Singh *	385 Havasu Ct., Brentwood, CA 94513	925-301-7783	Antioch, CA, Bakersfield, CA	CA
Jatinder Pancar	2076 Primrose Ct.,Fremont, CA 94539	408-242-7605	Berkeley, CA	CA
Thuynga(Nikki) Lu *	2310 Homestead Rd, Ste C1 441, Los Altos, CA 94024	408-893-9946	Camden Park	CA
Kap Do No *	936 Red Granite rd., Chula Vista, CA 91913	619-793-8058	Chula Vista, CA	CA
True Nam Nguyen/Elise Hong Nguyen	5555 West Ida Drive, Littleton, CO 80123	303-877-4977	Centinnial, CA	CA
Sang Jun (David) Lee *	727 W Las Palmas Dr., Fullerton, CA 92835	714-393-1050	Cerritos, CA	CA
Suk Yoo * & Teak Chung *	780 Roosevelt, 112, Irvine, CA 92620	949-688-3880	Cerritos, CA	CA
Nigora/Anvar Tulyag *	1600 E. Wallington Lane, Fresno, CA 92730	559-476-7324	Clovis, CA, Visalia, CA	CA
Tae Pak * & Taeksoo Chung *	453 S. Clovercrest Lane, San Ramon, CA 94582	925-784-4712	Concord, CA	CA
Bakhtavar Jawaid	14935 Ansford Street, Hecienda Heights, CA 91745	909-568-9030	Corona, CA (amended)	CA
Suk Yoo* /Dong Hwan Kim *	780 Roosevelt, #112, Irvine, CA 92620	949-688-3880	Corona, CA	CA
Ron Roe	2753 Coolidge Ave., Los Angeles, CA 90064	310-948-5566	Culver City, CA	CA
Mike Jonghwa Park *	387 Bidwell Dr., Yorba Linda, CA 92886	714-321-0339	CYPRESS	CA
Wen Li *	2212 W. Middlefield Rd. Mountain View, CA 94043	650-867-8888	Daly City, CA	CA
Ankit/Rashu Bhatnagar	179 Kerry Common, Fremont,	408-368-	Danville, CA	CA

*	CA 94536	3747		
Yue Shao *	10466 E. Estates, Cupertino, CA 95014	510-648-1221	Elk Gove, CA	CA
Nigora/Anvar Tulyag *	1699 E. Wallington Lane, Fresno, CA 93730	407-455-0908	Market Place El Paso	CA
Suk Yoo*/Taek Chung *	780 Roosevelt, #112, Irvine, CA 92620	949-688-3880	Evergreen, CA	CA
Michelle Renee Hira*/Sudhir Hira *	10434 Kenebec Ct., Grass Valley, CA 95949	732-910-3976	Folsom CA	CA
Suk Yoo* /Dong Hwan Kim *	780 Roosevelt, #112, Irvine, CA 92620	949-688-3880	Fountain Valley, CA	CA
Dara Dejbakhsh *	27261 Las Ramblas, Ste 100, Mission Viejo, CA 92691	949-233-3877	Ladera Ranch	CA
Janani Selvaraj	4832 Black Walnut Drive, Folsom, CA 95630	972-375-3433	Lake Tahoe, CA	CA
Nivad/Shahla	6700 Santa Rita Road, Pleasanton, CA 94588	925-997-1295	Livermore Vine	CA
Nina Hoque/Omar Hassan	4054 Locust Ave., Long Beach, CA 90807	562-225-4982	Long Beach CA	CA
Hyun Kyung Bae	1615 Serval way, Palmdale, CA 93551	661-480-8218	DTLA, Los Angeles, CA	CA
Thuynga(Nikki) Lu *	2310 Homestead Road, Ste C1 441, Los Altos, CA 94024	408-893-9946	Los Gatos, CA	CA
Mandeep Singh Farwaha	248 E. Angelina Ave., Mountain House, CA 95391	678-761-2811	Manteca, CA	CA
Dara Dejbakhsh *	27261 Las Ramblas, Ste 100, Mission Viejo, CA 92691	949-233-3877	Mission Viejo, CA	CA
Nigora/Anvar Tulyag *	1600 E. Wallington Lane, Fresno, CA 92730	559-476-7324	Modesto, CA	CA
Richard Choi	1812 Calle Suenos, Glendale, CA 91208	818-631-1585	Montrose	CA
Jessia Kim	3817 Muirwood Dr., Pleasanton, CA 94588	408-600-8481	Morgan Hill, CA	CA
Michelle Renee Hira*/Sudhir Hira * *	10434 Kenebec Ct., Grass Valley, CA 95949	732-910-3976	Natomas, CA	CA
Sean Rhim*/Suk Yoo *	376 Townsite Promenade, #205, Camarillo, CA 93010	213-248-0085	North Hollywood, CA	CA
Sukhwinder Singh *	385 Havasu Ct., Brentwood, CA 94513	925-301-7783	Novato, CA	CA
Suk Yoo * & Teak Chung *	780 Roosevelt, 112, Irvine, CA 92620	949-688-3880	City of Orange, CA	CA
Wen Li *	2212 W. Middlefield Rd., Mountain View, CA 94043	650-867-8888	Palo Alto, CA.	CA
Mike Wilson	6615 East Kings Crown Road, Orange, CA 92869	949-280-0307	Pasadena, CA	CA
Tae Pak * & Taeksoo	453 S. Clovercrest Lane, San	925-784-	Petaluma, CA, San	CA

Chung *	**Ramon, CA 94582**	**4712**	**Ramon, CA**	
Jimmy Wu/Karina Wu	**3204 Corte Melano, Chula Vista, CA 91914**	**619-99-5774**	**Rancho Bernardo**	**CA**
Sang Jun (David) Lee*/Heidi Lee	**727 W Las Palmas Dr., Fullerton, CA 92835**	**714-393-1050**	**Rancho Cucamonga, CA.**	**CA**
Wen Li *	**2212 W. Middlefield Rd., Mountain View, CA 94043**	**650-867-8888**	**Redwood City, CA**	**CA**
Basem K. Ghobrial	**3291 Royal Ridge Rd., Chino Hills, CA 91709**	**949-306-8838**	**Riverside, CA**	**CA**
Suk Yoo* /Taek Chung *	**780 Roosevelt, #112, Irvine, CA 92620**	**949-688-3880**	**Sacramento H Mart(?)**	**CA**
Kevin Kang	**16391 Santa Valera Court, San Diego, CA 92127**	**619-666-6486**	**San Diego, CA**	**CA**
Praveen Emmadi	**600 Jupiter Ct., Fremont, CA 94539**	**618-3039333**	**San Marcos, CA**	**CA**
Gabriel Vesci	**7183 Via Romera, San Jose, CA 95139**	**408-499-5496**	**Santa Monica, CA**	**CA**
Kevin Hwang *	**8304 Clairemont Mesa Blvd., San Diego, CA 92111**	**858-775-9643**	**New Zion Market San Diego**	**CA**
Tae Pak * & Taeksoo Chung *	**453 S. Clovercrest Lane, San Ramon, CA 94582**	**925-784-4712**	**San Rafael, CA**	**CA**
Xiaoguang Shao	**5526 Ora Street, San Jose, CA 95129**	**408-777-8208**	**Santa Rosa**	**CA**
Thuynga(Nikki) Lu *	**2310 Homestead Road, Ste C1 441, Los Altos, CA 94024**	**408-893-9946**	**South San Jose, CA**	**CA**
Charley Noh/Sally Noh	**1965 Artisan Street #308, Chula Vista, CA 91915**	**619-793-6931**	**Temacula, CA**	**CA**
Ramya Bowrisetti	**720 W. Glendora ave., Mountain House, CA 95391**	**650-619-8609**	**Tracy, CA**	**CA**
Sungin Jung	**15 Dogwood, Lake Forest, CA 92630**	**312-550-0402**	**Tustin**	**CA**
Tae Pak * & Taeksoo Chung *	**453 S. Clovercrest Lane, San Ramon, CA 94582**	**925-784-4712**	**Vacaville, CA**	**CA**
Sukhwinder Singh *	**385 Havasu Ct., Brentwood, CA 94513**	**925-301-7783**	**Vallejo, CA**	**CA**
Sean Rhim * & Soyoung Jung	**376 Townsite Promenade, #205, Camarillo, CA 93010**	**213-248-0085**	**Ventura, CA, Oxnard, CA**	**CA**
Nigora/Anvar Tulyag *	**1699 E. Wallington Lane, Fresno, CA 93730**	**407-455-0908**	**Villaggio-Fresno**	**CA**
Tae Pak * & Taeksoo Chung *	**453 S. Clovercrest Lane, San Ramon, CA 94582**	**925-784-4712**	**Walnut Creek**	**CA**
Thuynga(Nikki) Lu *	**2310 Homestead Road, Ste C1 441, Los Altos, CA 94024**	**408-893-9946**	**Willow Glen, San Jose, CA**	**CA**
Annie Song *	**355 Inverness Dr., Ste C, Englewood, CO 80112**	**720-552-1237**	**Littleton, CO**	**CO**
Annie Song *	**355 Inverness Dr., Ste C,**	**720-552-**	**Victory Ridge**	**CO**

	Englewood, CO 80112	**1237**		
Ankit Patel*/Jitendra Patel	**3508 Hana Road, Edison, NJ 08817**	**732-447-6092**	**Norwalk, CT**	**CT**
Ji Hoon Kim/Eunchul Paek	**8 Elizabeth Ave., Stamford, CT 06907**	**203-727-3326**	**Stamford, CT**	**CT**
Payal Shah*/Mittul Patel *	**8 Barkley Dr., Princeton, NJ 08540**	**732-501-4007**	**Middletown, DE**	**DE**
Ahmad Kabiryousefi	**3914 Cranes Bill Court, Rockville, MD 20852**	**410-303-0916**	**Georgetown, W DC**	**DC**
Hamed Saraj *	**489 Grand Ave., Highland Beach, FL 33487**	**201-314-4350**	**Boca Raton**	**FL**
Hye Lee	**1305 Morgan Stanley Ave., #445, Winter Park, FL 32789**	**201-655-3333**	**Doctor Phillips, FL**	**FL**
Hamad Saraj	**2540 S. Ocean Blvd. Highland Beach, FL. 33487**	**201-314-4350**	**Fort Lauderdale, FL**	**FL**
Wei Zhu *	**10 Henry Lane, Hilton Head, SC 29928**	**843-422-2509**	**Jacksonville, FL**	**FL**
Cesar Paoli	**445 Grand Bay Dr., #910, Key Biscayne, FL 33149**	**768-508-5941**	**Downtown Miami, FL**	**FL**
Hong Kou	**8931 Lakesho Pt., Winter Garden, FL 34787**	**309-444-0668**	**H Mart Orlando**	**FL**
Jun Woo Hong Jinchul Hong *	**2511 North Grady Ave. #43, Tampa, FL 33607**	**206-353-2702**	**New Tampa**	**FL**
Woo Yong Shin	**651 NW 82nd Ave. apt 526, Plantation, FL 33324**	**408-605-3516**	**Pembroke, FL**	**FL**
Jinchul Hong * & Yong Ho Park	**1206 Montavilla Way, Peachtree City, GA 30269**	**706-773-1212**	**Sarasota, FL**	**FL**
William Chen *	**2257 Pan Am Lane, Marietta, GA 30062**	**678-362-3383**	**Alpharetta, GA**	**GA**
Amitkumar Patel	**6631 Trail Side Dr., Flowery Branch, GA 30542**	**678-200-2266**	**Athens, GA**	**GA**
Wei Zhu *	**10 Henry Lane, Hilton Head, SC 29928**	**843-422-2509**	**Broughton Street**	**GA**
Jun Hyung Lee *	**2855 Darlington Pointe, Duluth, GA 30097**	**770-316-5684**	**Johns Creek, GA**	**GA**
William Chen *	**2257 Pan Am Lane, Marietta, GA 30062**	**678-362-3383**	**Marietta, GA**	**GA**
Yoon Lee *	**6830 Weatherstone Way, Alpharetta GA. 30009**	**770-256-7000**	**North Druid Hills, GA**	**GA**
Hope Kimberly O'dell	**5702 Islington Drive, Powder Springs, GA 30127**	**678-521-1078**	**Vinings, GA**	**GA**
Jae Hoon Kim	**123 Biradan Anakko St, Summer Place Dededo, Guam**	**671-727-6003**	**Dedeo, Guam**	**GUAM**
Jay Kim	**2141 Andover Ln., Newport Beach, CA 92660**	**714-851-6983**	**Boise, ID**	**ID**
Liborio M. Cangelosi	**901 Mason Lane, Lake in the**	**847-551-**	**Arlington Heights**	**IL**

	Hills, IL 60156	**1020**		
Jiazhao Chen (Tommy's brother) *	**268 W. Alexander St., Chicago, IL 60616**	**312-998-9968**	**Chicago**	**IL**
Jiazhao Chen (Tommy's brother) *	**268 W. Alexander St., Chicago, IL 60616**	**312-998-9968**	**Chicago**	**IL**
Li Peng Zeng *	**819 W. 37th St., Chicago, IL 60609**	**312-404-1886**	**Delaware Place**	**IL**
Dae Ho Park	**2502 Palazzo Dr., Buffalo Grove, IL 60089**	**224-775-7943**	**H Mart Urbana**	**IL**
Mohamad Touffaha* /Mike Issa *	**13814 E. Peppertree St., Wichita, KS 67228**	**316-214-1330**	**North Overland Park**	**KS**
Mike Issa*/Mohamad Touffaha *	**1818 N. Burning Tree Circle, Wichita, KS 67230**	**316-214-1330**	**Shawnee, KS**	**KS**
Sandeep Khandelwal	**15601 Linden Street, Overland Park, KS 66224**	**816-588-3501**	**South Orverland Park**	**KS**
Mohamad Touffaha* /Mike Issa*	**13814 E. Peppertree St., Wichita, KS 67228**	**316-214-1330**	**West Wichita**	**KS**
Guo Yu Jiang	**8510 Summershade Dr., Odenton, MD 21113**	**917-353-5337**	**Annapolis, MD**	**MD**
Sung W. Park	**11915 Park Heights Ave., Owings Mills, MD 21117**	**301-312-2328**	**Bethesda**	**MD**
Michael Canterino *	**902 Arborley Court, Westampton, NJ 08060**	**610-745-5448**	**Columbia, MD**	**MD**
Jessica Park*/Sung Park	**11915 Park Heights Ave., Owings Mills, MD 21117**	**301-312-2328**	**Crofton, MD**	**MD**
Jimmy Cho *	**2144 Royal lane, Dallas, TX 75229**	**214-516-1073**	**Ellicott City**	**MD**
Ahbhikkumar Patel +3	**816 Kandor Court, Steven, MD 21144**	**410-917-7735**	**Largo, MD**	**MD**
Mohamad Waseem *	**8 Mcbride Rd., Manalapan, NJ 07726**	**732-429-2169**	**Laurel, MD Hargerstown, MD**	**MD**
Uyen Vo	**13407 Fog Mist Pl., Silver Spring, MD 20904**	**619-536-6865**	**Silver Spring, MD**	**MD**
Mohamad Waseem *	**8 Mcbride Rd., Manalapan, NJ 07726**	**732-429-2169**	**Snowshill Street**	**MD**
Vipra Kundoor	**5126 Honey Locust Ct. Ellicott City, MD 21042**	**410-979-7731**	**Towson Row**	**MD**
Ying Huang/Harry Eng	**9 John Paul Circle, Braintree, MA 02184**	**617-888-5366**	**Quincy, MA**	**MA**
Bhargavi Venkataraman *	**24241 Oak Rodge Blvd., South Lyon MI 48178**	**313-209-1981**	**Novi, MI**	**MI**
Bhargavi Venkataraman *	**24241 Oak Rodge Blvd., South Lyon, MI 48178**	**313-209-1981**	**Rochester Hills, MI**	**MI**
Ling Li/Jian Huan Li	**630 Devine Dr., New Brighton, MN 55112**	**605-220-3710**	**Blaine, MN**	**MN**
Brian Y *	**5241 Oak Grove Pkwy.,**	**612-791-**	**Eagan, MN**	**MN**

	Brooklyn Park, MN 55443	**1552**		
Michelle Renee Hira*/Sudhir Hira * *	**10434 Kenebec Ct., Grass Valley, CA 95949**	**732-910-3976**	**Eden Prairie, MN**	**MN**
Michelle Renee Hira*/Sudhir Hira * *	**10434 Kenebec Ct., Grass Valley, CA 95949**	**732-910-3976**	**Edina, MN**	**MN**
Hongkong Vang/Wendy Yang	**3228 Centerville Road, Vadnas Heights, MN 55127**	**651-788-6372**	**Roseville, MN**	**MN**
Brian Y *	**5241 Oak Grove Pkwy., Brooklyn Park, MN 55443**	**612-791-1552**	**St. Paul, MN**	**MN**
Xai Thao	**2660 Eagle Valley Drive, Woodbury, MN 55129**	**916-230-8653**	**Woodbury, MN**	**MN**
Chan Fong/Kenix Fong	**8 Fielding Road, Saint Louis, MO 63124**	**314-323-3828**	**Olivette**	**MO**
Helen Kim*/Jeanne Kim *	**11135 Ranch Valley Street, Las Vegas, NV 89179**	**305-788-3621**	**Henerson, NV**	**NV**
Jyoti B. Rekhi	**4 Redcoat Drive, East Brunswick, NJ 08816**	**201-463-9624**	**Brick Township, NJ**	**NJ**
David Ahn*	**89 Bruce Drive, Holland, PA 18966**	**215-630-5124**	**H Mart Cherry Hill**	**NJ**
Earl Koskie III *	**1189 River Rock Road, Spanish Fork, UT 84669**	**385-985-8555**	**Clifton**	**NJ**
Shikum Miao	**7 Exeter Way, Holmdel, NJ 07733**	**848-218-8131**	**Eatontown, NJ**	**NJ**
Ami A Shah	**22 Sheller Dr., Monroe Township, NJ 08831**	**732-771-792**	**Hamilton, NJ**	**NJ**
Kwon Tae Pee	**61 Valley Road, Glen Rock, NJ 07452**	**347-853-0066**	**Holmdel**	**NJ**
Ruben Zagagi	**800 Park Ave., Fort Lee, NJ 07024**	**917-673-9984**	**Jersey City**	**NJ**
Hui (Aron) Teng*/Yong Xu *	**143-19 Quince Ave., Flushing, NY 11355**	**347-238-8927**	**Jersey City**	**NJ**
Jung Eun Kim	**12 Littlefield Court, Haworth, NJ 07641**	**201-410-3553**	**Jersey City, NJ**	**NJ**
Harsh P. Patel *	**951 Sunset Ridge, Bridgewater, NJ 08807**	**732-857-6802**	**Manalapan, NJ**	**NJ**
Monica Ye (Mao Ye) *	**8 Pilgrim Run, East Brunswick, NJ 08816**	**732-485-6988**	**Manalapan Towne Park**	**NJ**
Amrit Kaur	**21 Arbor Circle, Edison, NJ 08837**	**401-225-4485**	**312 Mt. Hope Avenue**	**NJ**
Gagan Agarwal	**214 Arrowood Way, Basking Ridge, NJ 07920**	**908-672-0587**	**TBD, NJ (New Providence, NJ)**	**NJ**
Arlen Encarnacion	**772 Harbortown Blvd., Perth Amboy, NJ 08861**	**908-205-5548**	**North Brunswick, NJ**	**NJ**
Dennis Ahn *	**164 Sunset Road, Belle Mead, NJ 08502**	**908-331-1022**	**Parsippany, NJ**	**NJ**
Conrad Lamyuen*/Min	**1905 Bowling Green Trail,**	**252-864-**	**Ramsey**	**NJ**

Joo Kwon *	**Raleigh, NC 27613**	**8632**		
Jay Sorathiya	**240 Piermont Road, Norwood, NJ 07648**	**551-580-9234**	**725 River Road**	**NJ**
Amin Moawad	**50 Main Street, South River, NJ 08882**	**732-904-1347**	**Secaucus, NJ**	**NJ**
Payal Shah*/Mittul Patel *	**8 Barkley Dr., Princeton, NJ 08540**	**732-501-4007**	**South Plainfield, NJ**	**NJ**
Viren Patel	**6 Wood Acres Dr., Edison, NJ 08820**	**917-288-5131**	**Toms River, NJ**	**NJ**
Kartik Patel *	**12 Langon Hollow Rd., Bridgewater, NJ. 08807**	**908-917-6175**	**Watchung, NJ**	**NJ**
Tabitha Vantassel/Ace Gunarantne	**31 Clydesdale Road, Scotch Plains, NJ 07076**	**732-740-5510**	**Westfield, NJ**	**NJ**
Mike Issa*/Mohamad Touffaha *	**1818 N. Burning Tree Circle, Wichita, KS 67230**	**316-214-1330**	**Alburque**	**NM**
Yong Chen *	**14222 37th Ave. Fl 5, Flushing, NY 11354**	**917-518-0388**	**Bay Ridge, New York**	**NY**
Jin Huang *	**13620 38th Ave., Suite 3E, Flushing, NY 11354**	**646-889-8989**	**Dumbo Brooklyn, NY**	**NY**
Yong Chen *	**14222 37th Ave. Fl 5, Flushing, NY 11354**	**917-518-0388**	**Williansburg Brooklyn, NY**	**NY**
Alex C. Hsieh*/Jessica Lin *	**5821 256th St., Little Neck, NY 11362**	**718-200-9897**	**Bronx, NY**	**NY**
Alex C. Hsieh*/Jessica Lin*/Wenbo Shan*	**3 Josell Court, Dix Hills, NY 11746**	**917-682-7212**	**Forest Avenue**	**NY**
Sam Lamba (Sarabjit Lamba) *	**425 N. Broadway #287, Jericho Turnpike, NY 11753**	**516-805-5000**	**Jerihco, NY**	**NY**
Hui Teng (Aron)*/Yong XU *	**38-08 Union Street, Suite 8B, Flushing, NY 11354**	**347-238-8927**	**1602 Kings Highway**	**NY**
Yu Hsiu Chu (Kevin)/Chih wei Tan	**5 Hawthorne Lane, Great Neck, NY 11023**	**646-262-0403**	**856 Manhattan Avenue**	**NY**
Charles Lin	**245-63 61st Ave., Little Neck, NY 11362**	**347-996-6840**	**New York, NY**	**NY**
Tina Ma *	**2 Bolton Dr., Manhasset, NY 11030**	**917-981-4255**	**New York, NY**	**NY**
Khurram Iqbal *	**48 Hudson Ave., Unit A, Edgewater, NJ 07020**	**646-618-4128**	**SoHo, NY**	**NY**
Jin Huang *	**13620 38th Ave., Suite 3E, Flushing, NY 11354**	**646-889-8989**	**Whitestone, Queens, NY**	**NY**
Ivan Shen/Jing Zhang	**4231 Arthur Ct., Hamburg, NY 14075**	**347-927-0777**	**Williamsville**	**NY**
Min Joo Kwon*/Conard Lamyuen *	**5337 Chandler Oaks Lane, McLeansville, NC 27301**	**213-369-2988**	**Cary Village Square**	**NC**
Steve Kim	**6525 Providence Farm Ln. #5305, Charlotte, NC 28277**	**901-292-3542**	**Rea Farms**	**NC**

Dipendra KC Subeid/Pranit Karky	**9341 Alice McGinn Dr., Charlotte, NC 28277**	**347-399-9690**	**University City, Charlotte, NC**	**NC**
Parth Patel *	**10064 Jayna Lane, Columbia Station, OH 44028**	**440-527-3160**	**Avon Plaza**	**OH**
Parth Patel *	**10064 Jayna Lane, Columbia Station, OH 44028**	**440-527-3160**	**Beachwood, OH**	**OH**
Erin Burke/Ashley Rupeka	**64 Oak Tree Court, West Middlesex, PA 44512**	**917-734-6629**	**Boardman**	**OH**
Ravi Allipuran	**6837 Sagestone Dr., Dublin, OH 43016**	**614-209-6813**	**Hilliard, OH**	**OH**
Yong Ki Hong *	**366 Delegate Dr., Columbus, OH 43234**	**405-409-4342**	**New Albany, Ohio**	**OH**
Yong Ki Hong *	**366 Delegate Dr., Columbus, OH 43234**	**405-409-4342**	**Upper Arlington**	**OH**
Mike Issa*/Mohamad Touffaha *	**2109 N. Crooked Pine Street, Wichita KS 67230**	**316-214-1330**	**MOORE**	**OK**
Vivian Tran	**2545 N. Rosemont Ct., Wichita, KS 67228**	**316-990-6099**	**OKC Memorial**	**OK**
Mike Issa*/Mohamad Touffaha *	**1818 N. Burning Tree Circle, Wichita, KS 67230**	**316-214-1330**	**Oklahoma City, OK**	**OK**
Akhtak A Christi	**9726 NW Sunrise Lane, Portland, OR 97229**	**503-998-3430**	**Portland, OR**	**OR**
Lan Ma	**1536 Greystone Pl., Hellertown, PA 18055**	**201-681-8199**	**Bethlehem**	**PA**
Anesh Tella	**24 Brookshire Drive, Robbinsville, NJ 08691**	**732-979-8469**	**Hatfield, PA**	**PA**
Kartik Patel*/	**12 Langon Hollow Rd., Bridgewater, NJ 08807**	**908-917-6175**	**Langhorne, PA**	**PA**
Asif Ali Shah*/Mayram Shah *	**1604 Heitage Drive, Pittsburgh, PA 15237**	**412-901-3626**	**Monroeville, PA**	**PA**
David Ahn*	**89 Bruce Drive, Holland, PA 18966**	**812-606-4424**	**North Wales**	**PA**
Asif Ali Shah*/Mayram Shah *	**1604 Heitage Drive, Pittsburgh, PA 15237**	**412-901-3626**	**Shadyside**	**PA**
Wenjing Yan/Kai Zhu	**3800 Austin Place, Newtown Square, PA 19073**	**612-986-5857**	**3606 Westchester Pike**	**PA**
Srilekha Vangala*/Sridevi Salagrama *	**3 Boyne Highlands Court, Skillman, NJ 08558**	**732-986-8836**	**Yardley**	**PA**
Shirley Chen Wong/Harry Chen	**188 Camino Del Narcizo, Dorado, Puerto Rico 00646**	**787-969-0211**	**San Juan, PR**	**PUERTO RICO**
Chaitanya Inampudi	**4386 Tournette Drive, Indian Land, SC 29707**	**914-886-5575**	**Indian Land**	**SC**
Prima Pius Patel/Hemal Patel	**1460 Saint Hubert Way, Charleson, SC 29414**	**843-568-5315**	**600 Long Point Road**	**SC**
James Osborn	**2835 Kaye Drive, Thompsons**	**949-500-**	**Franklin, TN**	**TN**

	Station, TN 37179	**2911**		
Tom Pae	**620 Bushwillow Ln., Collierville, TN 38017**	**901-569-4157**	**Germantown, TN**	**TN**
Bruce Lee & Soo Young Park *	**3871 Prima Buca, Yorba Linda, CA 92886**	**213-448-4480**	**Murfreesboro, TN**	**TN**
Fu Xing Guo (Phil) * & Ren Cheng *	**1132 Nick Circle, Allen, TX 75013**	**973-901-1234**	**Addison, TX**	**TX**
Michelle Renee Hira*/Sudhir Hira *	**10434 Kenebec Ct., Grass Valley, CA 95949**	**732-910-3976**	**Cedar Park, TX**	**TX**
Jim Wang *	**2711 Villa Pisa Lane, League City, TX 77573**	**650-906-6308**	**Clear Lake/Webster, TX**	**TX**
David Kim	**3620 Weston Manor Ln., Houston, TX 77055**	**832-439-2156**	**Cypress, TX**	**TX**
Anusha Jonnala	**821 Cavitt Ct., Prosp, TX 75078**	**201-970-6789**	**Flower Mound**	**TX**
Fu Xing Guo (Phil) * & Ren Cheng *	**1132 Nick Circle, Allen, TX 75013**	**973-901-1234**	**Frisco, TX**	**TX**
Punya Kushalappa/Charanjit Singh	**8096 Split Beard Road, Frisco, TX 75035**	**469-486-0669**	**Frisco, TX**	**TX**
Jiwon Choi Song	**312 Pearl Parkway #4502, San Antonio, TX 78215**	**607-227-9701**	**Gunter Hotel**	**TX**
Rebekah Kim *	**2423 Fruitland Ave., Farmers Branch, TX 75234**	**469-583-5365**	**Haltom City, TX**	**TX**
Jimmy Cho * Mi young Youn	**2144 Royal Lane, Dallas, TX 75229**	**214-516-1073**	**H Mart Royal Lane, TX**	**TX**
Alexander/Cherry Chang	**5980 Evening Star Place, Dallas, TX 75235**	**214-406-5826**	**Knox-Henderson, TX**	**TX**
Sushma Tarigopula	**1502 Parke Bluff Bend, Cedar Park, TX 78613**	**248-736-7792**	**Leander**	**TX**
Rahul Rai *	**2915 Koscher Drive, Cedar Hill, TX 75104**	**972-215-9336**	**Mansfield, TX**	**TX**
Jim H. Wang *	**2711 Villa Pisa Lane, League City, TX 77573**	**650-906-6308**	**Midtown Houston**	**TX**
Ratnakar Pingili	**515 Stonebury Dr., Southlake, TX 76092**	**862-210-4786**	**North City**	**TX**
Jim H Wang	**2711 Villa Pisa Lane, League City, TX 77573**	**650-906-6308**	**Pearland**	**TX**
Waleed Liaqat/Muneer Khalilullah	**12050 Research Road #9406, Dallas, TX 75034**	**316-708-7553**	**Plano, TX**	**TX**
Rajneesh Singhal/Puneet Mittal	**968 Rockport Lane, Allen TX 75013**	**248-802-5330**	**Richardson, TX**	**TX**
Yong Suk Lee/Soyeong Kim	**144 Peacevince Ln., Liberty Hill, TX 7862**	**267-679-9236**	**Round Rock, TX**	**TX**
Cherly Navarrete/Richard	**10505 Antelope Run, Auston, TX 78748**	**512-748-4824**	**South Austin, TX**	**TX**

Navarrete				
Srekanth Peram/Rajesh Potla	**9707 Harpers Lane apt 119, Coppell, TX 75019**	**661-426-4397**	**Southlake, TX 3240 East Hebron**	**TX**
Jim H. Wang* 8	**2711 Villa Pisa Lane, League City, TX 77573**	**650-906-6308**	**Spring, TX**	**TX**
Jacky Daswani/Amrita Daswani	**4661 Rimini Court, Dublin, CA 94568**	**925-895-9131**	**TBD**	**TX**
Bowen Kou *	**2339 Lake Hall Road, Tallahassee, FL 32309**	**517-763-1998**	**Tech Ridge**	**TX**
Jason Madden/Monika Idasiak	**2101 Copperfield Ct., Frisco, TX 75036**	**843-437-6936**	**The Colony, TX**	**TX**
Sean Kim *	**8828 Stolen Moments ter, Fairfax, VA 22031**	**703-307-6799**	**Annandale, VA**	**VA**
Sean Kim *	**8828 Stolen Moments ter, Fairfax, VA 22031**	**703-307-6799**	**Arlington Heights**	**VA**
Jeremy Zhang*/Lei Sun *	**42756 Littlehales Terrace, Ashburn, VA 20148**	**703-401-9239**	**Ashburn, VA**	**VA**
Alma Cauevic Siddiqui *	**24274 Purple Finch Drive, Aldie, VA 20105**	**703-969-6403**	**Ashburn, VA**	**VA**
Sean Shin*/ Youngjune Choi *	**11332 Park Dr, Fairfax, VA 22030**	**703-505-3456**	**Chantilly, VA**	**VA**
Daeho Park/Joon Lee	**6156 Hatches Ct. Burke, VA 22015**	**703-346-7576**	**Fredericksburg, VA**	**VA**
Helen Kim*/Yulia Kook *	**43027 Elk Place, Chantilly, VA 20152**	**615-772-5793**	**Gainesville, VA**	**VA**
Sean Kim *	**8828 Stolen Moments ter, Fairfax, VA 22031**	**703-307-6799**	**169 Hillwood Avenue**	**VA**
Huanyu Li/Bing Han	**553 Crabtree Lane, Virginia Beach, VA 23452**	**732-425-7375**	**Hilltop West**	**VA**
Farooq Ahmed Siddiqui *	**24274 Purple Finch Drive, Aldie, VA 20105**	**703-969-6403**	**Leesburg, VA**	**VA**
Jessica Park*/Jeff Han *	**11915 Park Heights Ave, Owings Mills, MD 21117**	**301-312-2328**	**Midlothian, VA**	**VA**
Gerald Lee (Jerry)	**3742 Linda Lane, Annadale, VA 22003**	**703-678-5186**	**Northern VA**	**VA**
Sam Sadeghi *	**24 Orchard Way North, Potomac, MD 20854**	**301-814-5044**	**Penn Quarter, DC Old Town Alexandria**	**VA**
Jessica Park*/Jeff Han *	**11915 Park Heights Ave, Owings Mills, MD 21117**	**301-312-2328**	**Short Pump, VA**	**VA**
Sean Shin* Youngjune Choi *	**11332 Park Dr, Fairfax, VA 22030**	**703-505-3456**	**Woodbridge, VA**	**VA**
Yoon Chang *	**3230 108th Ave. SE, Bellevue, WA 98004**	**206-355-3720**	**Downtown Bellevue**	**WA**
Sandeep Kesireddy	**5005 Glouchester Ct., San Jose, CA 95136**	**619-888-7588**	**Bothell, WA**	**WA**

Hyung J Yu	**24005 145th Ave SE, Snohomish, WA 98296**	**425-350-2556**	**The Charles**	**WA**
Ahn Cao	**330 Wells Ave N., Renton, WA 98057**	**206-660-7288**	**Federal Way, WA.**	**WA**

***Denotes multi unit operator**

Exhibit E

LIST OF FRANCHISEES WHO LEFT

Paris Baguette Family, Inc.

EXHIBIT E

LIST OF FRANCHISEES WHO LEFT THE SYSTEM IN 2024

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

Below is the name, city, state, and contact information for every franchisee who has had an outlet 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 who has not communicated with the franchisor within ten weeks of this disclosure document issuance date.

Transfers:

Store Name	Address	Previous Franchisee	
2470 El Camino	2470 El Camino Real, Santa Clara, CA 95051	Joshua Kim*	josh@refresh-foods.com
Santa Clara	3561 El Camino Real, Santa Clara, CA 95051	Joshua Kim*	josh@refresh-foods.com
Madang	621 S Western Ave., Los Angeles, CA 90010	Seheuk Yoon*	yshdream23@gmail.com
Wilshire Blvd	3785 Wilshi Blvd. 107E, Los Angeles, CA 90010	Seheuk Yoon*	yshdream23@gmail.com
Lone Tree Village	5951 Lone Tree Way Ste 100, Brentwood, CA 94513	Mandeep Singh	singhbrotherspartnership@gmail.com
Buena Park	5307 Beach Blvd. #108, Buena Park, CA 90621	Eric Seo*	seongseo@hotmail.com
Chestnut St.	1717 Chestnut St., Philadelphia, PA19103	Paul Kwon / Hui Kim	kwonpaul130@gmail.com
Katy	23119 Colonial Pkwy Suite B-6, Katy, TX 77450	Rebekah Kim*	rebekahmkim@gmail.com
Grand Pararie	2609 W Pioneer Pkwy STE 110, Grand Prairie, TX 75051	Jimmy Cho*	pacificeaglecho@gmail.com
Blalock	1304 Blalock Rd., Houston, TX 77055	Jimmy Cho*	pacificeaglecho@gmail.com

*Franchisee is still in system

Ceased Operations:

Store Name	Store Address	Franchisee name	Contact
9TH ZION VERMONT	888 S. Vermont Ave., Los Angeles, CA 90005	Hyung Kook Choi*	Hchoi330@gmail.com
303 PARK	303 Park Ave. South, New York, NY 10010	Monica Ye*	monica.ye@gmail.com

*Franchisee is still in system

Signed but Never Opened:

Name	Address	Phone	Store (area)
Eric Ha	1093 Orangebrick Way, San Jose, CA 95120	203-293-8559	Morgan Hill, CA
Don Wan Lee/Sung Lee Fortney*	24820 Orchard Village Road, Suite A #304, Santa Clarita, CA 91355	818-482-9192	Thousand Oaks, CA
Hana Lee/Tae Hoon Kim	28624 Iron Village Dr., Valencia, CA 91354	213-377-8330	Burbank, CA
Jack Daryanani	15612 Giant Foxtail Court, Winter Garden, FL 34787	267-971-4635	Lake Buena Vista, FL
Sabrine Allouche/Wathik Bouslimi	3025 E. Busch Blvd., Tampa, FL 33612	813-900-3754	Wesley Chapel, FL
Fei Wang	245 Main Street, 12F, Cambridge, MA 02142	626-688-2123	Back Bay, MA
Mohammed Jaloudi/Sandy Margie	21 Academy Road, Ho-Ho-Kus, NJ 07423	201-665-6510	Montclair, NJ
Mohammed Salous	1405 Glenmark Drive, Edmond, OK 73013	405-413-4467	Yukon, OK
Rebekah Kim**	2423 Fruitland Ave., Farmers Branch, TX 75234	469-583-5365	Bellaire, TX
Paul Liu	19129 NE 46th Street, Sammish, WA 98074	206-550-9872	Bellevue, WA.

*Franchisee is still in system

**Transferred to another franchisee

Exhibit F

OPERATIONS MANUAL TABLE OF CONTENTS

Paris Baguette Family, Inc.

Table of Content

A Overview
- Keeping the Manual Current – 1 page
- The Manual as an Extension of the Legal Documents – 1 page
- Manual Disclaimer – 1 page

B Introduction
- Welcome Letter – 1 page
- Our Mission, Vision & Values – 1 page
- System and Services – 3 pages
- Cafe Operating Hours – 1 page
- Core Menu: Our Offerings – 1 page
- Insurance Requirements – 4 pages
- Reporting Obligations for Franchisee: Books & Records – 1 page
- Paris Baguette Return & Refund Policy – 1 page
- Cash as a Payment Tender – 1 page
- Credit Card Payment Policy – 1 page

C Management Procedures
- Organizing Your Management Activities
  - Use of Checklists – 1 page
  - Manager's Opening and Closing Checklists – 2 pages
  - Department of Health Readiness Checklist – 2 pages
- Managing the Guest Experience
  - The needs of the Guest – 1 page
  - The Manager's Role – 1 page
  - Phone Experience – 1 page
- Managing Personnel
  - Team Member Philosophy – 1 page
  - Respect Standard – 1 page
  - Training Principles – 1 page
  - Paris Baguette's Learning Approach – 1 page
  - Paris Baguette's Training Standards – 1 page
  - New Hire Orientation – 1 page
  - Dress Code – 1 page
  - Locker Room Usage – 2 pages
  - Scheduling Employees – 1 page
  - Creating the schedule – 1 page
  - Schedule Accommodations – 1 page
  - Relaying the schedule to your employees – 2 pages
- Inventory Management
  - Critical Elements of Inventory Management – 1 page
  - PAR Level – 1 page
  - Monitoring Inventory – 1 page
  - Inventory Taking Considerations – 1 page
  - Labeling and Rotating Inventory – 1 page
  - Storage – 3 pages

- Ordering – 3 pages
- Receiving – 1 page
- Temperature Data Logger – 2 Pages

Managing Cost
- Calculating Food Cost – 1 page
- Cost of Goods (COGS) – 1 page

Managing Food Safety & Sanitation
- Food Safety Standards – 1 page
- Reference: General Food Safety Information – 1 page
- Food Safety Self-Inspection – 1 page

Managing Production
- Weather – 1 page
- Toast – 2 pages
- Toast Now – 1 page
- Top & Bottom Sales Mix – 2 pages
- Production Sheets – 3 pages
- Recording Waste – 3 pages
- Updating POS Key Price – 3 pages

Loss Prevention – 1 page
- Toast Swipe Card – 2 pages

Paris Baguette Communications
- Gatekeeper – 1 page
- Baguette Buzz – 1 page
- Seasonal Transition Documents – 1 page
- Communications Board – 3 pages

Café Evaluations
- Café Audits – 1 page
- Operations Scorecard – 1 page

Management Procedure – SOPs & Tools – 1 page

D Daily Operating Procedures

Daily Routines – 1 page

Cleaning & Maintenance – 2 pages
- Restrooms – 1 page
- Garbage Storage & Disposal – 1 page
- Pest Control – 1 page

Customer Service Guidelines
- Steps of Service – 1 page
- First Impressions – 1 page
- Handling Guest Complaints & Incidents – 2 pages

OLO Guidelines & SOP
- OLO 86ing Orders – 4 page

Product Packaging – 1 page

Food Safety – 1 page
- Food Safety Responsibilities – 1 page
- Time & Temperature Control – 1 page
- Preventing Contamination – 1 page

Personal Hygiene – 2 pages
Avoid Bare Hand Contact – 1 page
Foodborne Illness – 1 page
Food Donation – 3 pages
Daily Operating Procedures – SOPs & Tools – 1 page

E Marketing & Promotion
Visual Merchandising
What, Why, How – 1 page
Store Setup & Flow – 1 page
Display Principles – 1 page
Cleaning – 1 page
Plating Guide – 2 pages
Propping Index – 3 pages
Bakery Shelves – 1 page
3 Row Bakery Shelves – 2 pages
4 Row Bakery Shelves – 1 page
Center Island Display – 3 pages
Slice Cake Showcase – 2 pages
Grab & Go – 3 pages
Double Grab & Go – 2 pages
Coffin Case & Sandwich Display – 1 page
The Function of Signage – 1 page
Types of Signage – 4 pages
Condiment Station – 1 page
Marketing Portal
Local Store Marketing – 1page

Exhibit G

STATE ADMINISTRATORS

Paris Baguette Family, Inc.

EXHIBIT G

LIST OF STATE ADMINISTRATORS

California California Department of Financial Protection and Innovation 320 West 4th St., Suite 750 Los Angeles, CA 90013-2344 (213) 736-2741 1-866-275-2677	Michigan Consumer Protection Division Michigan Department of Attorney General 525 W. Ottawa Street P.O. Box 30213 Lansing, MI 48909 517-373-7117	South Dakota Department of Labor and Regulation Division of Securities – Securities Regulation 124 S Euclid, Suite 104 Pierre, SD 57501
Connecticut Department of Banking, Securities and Business Investment Division 260 Constitution Plaza Hartford, CT 06103 (860) 240-8230 1-800-831-7225	Minnesota Minnesota Dept. of Commerce 85 7th Place East, Suite 500 St. Paul, MN 55101-3165 (651) 296-4026	Texas Secretary of State Statutory Documents Section P.O. Box 12887 Austin, TX 78711-2887
Florida Florida Department of Agriculture and Consumer Services Plaza Level 10, The Capitol 400 S. Monroe St. Tallahassee, FL 32399-0800 1-800-435-7352	New York NYS Department of Law Investor Protection Bureau 28 Liberty St. 21st Fl. New York, NY 10005 212-416-8222	Utah Department of Commerce 160 East 300 South SM Box 146704 Salt Lake City, UT 84114-6704
Hawaii Business Registration Div. Dept. of Commerce & Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2744 (808) 586-2727	Nebraska Department of Banking and Finance P.O. Box 95006 1526 K St #300 Lincoln, NE 68508 (402) 471-3445	Virginia State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street, 9th Floor Richmond, VA 23219 (804) 371-9051
Illinois Chief, Franchise Division Office of Attorney General 500 South Second Street Springfield, IL 62707 (217) 782-4465	North Dakota Securities Department 600 East Boulevard Avenue 5th Floor, Dept. 414 Bismarck, ND 58505-0510 (701)-328-2910 (701) 328-4712	Washington Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8736
Indiana Deputy Commissioner, Franchise Division Indiana Securities Commission Secretary of State 302 W. Washington St, Room E-111 Indianapolis, IN 46204 (317) 232-6681	Oregon Department of Insurance & Finance Corporate Securities Section Labor and Industries Building Salem, OR 97310 (503) 378-4387	Wisconsin Securities and Franchise Registration Wisconsin Securities Commission P.O. Box 1768 Madison, WI 53701 (608) 266-8559
Maryland Office of the Attorney General, Securities Division 200 St. Paul Place, Baltimore, MD 21202 (410) 576-6360 1-888-743-0023	Rhode Island Chief Securities Examiner Department of Business Regulation Securities Division Franchise Section 233 Richmond Street, Suite 232 Providence, RI 02903-4232 (401) 277-3048	

Exhibit H

STATE AGENTS

Paris Baguette Family, Inc.

EXHIBIT H

AGENTS FOR SERVICE OF PROCESS

We will designate the following state offices or officials as our agents for service of process:

CALIFORNIA California Department of Financial Protection and Innovation 320 West 4th St., Suite 750 Los Angeles, CA 90013-2344 (213) 736-2741 1-866-275-2677	**MARYLAND** Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360
CONNECTICUT Connecticut Department of Banking, Securities and Business Investment Division 260 Constitution Plaza Hartford, CT 06103	**MICHIGAN** Dept. of Commerce, Corp'ns & Securities Bur. 6546 Mercantile Way P.O. Box 30222 Lansing, Michigan 48910 (517) 373-7117
HAWAII Comm'r Securities of the State of Hawaii Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	**MINNESOTA** Commissioner of Commerce 85 7th Place East, Suite 500 St. Paul, Minnesota 55101 (612) 296-4026
ILLINOIS Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	**NEW YORK** Secretary of State 99 Washington Avenue Albany, New York 12231 (518) 473-2492
INDIANA Indiana Secretary of State 201 State House Indianapolis, Indiana 46204 (317) 232-6681	**VIRGINIA** Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733
NORTH DAKOTA North Dakota Securities Commissioner 600 Boulevard Avenue, State Capital Fifth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712	**WASHINGTON** Director of Depart. of Financial Institutions Securities Division – 3rd Floor 150 Israel Road, S. W. Tumwater, Washington 98501 (360) 902-8760
RHODE ISLAND Director of Depart. of Business Regulation Suite 232 233 Richmond Street Providence, Rhode Island 02903-4232 (401) 277-3048	**WISCONSIN** Commissioner of Securities 345 West Washington Avenue Fourth Floor Madison, Wisconsin 53703 (608) 261-9555
SOUTH DAKOTA Department of Labor and Regulation, Division of Securities – Securities Regulation 124 S Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-4823	

Exhibit I

STATEMENT OF ACKNOWLEDGEMENT

Paris Baguette Family, Inc.

EXHIBIT I

SUMMARY OF ACKNOWLEDGMENT

This Questionnaire should not be completed by residents of, or anyone seeking to locate a franchise in, the following states: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin.

You are preparing to enter into a Franchise Agreement and/or Area Development Agreement (the "Franchise Agreement") for the establishment and operation of a Paris Baguette cafe (the "Franchised Business") with Paris Baguette Family Inc. (the "Franchisor"). The purpose of this Questionnaire is to determine whether any statements or promises were made to you by employees or authorized representatives of the Franchisor, or by employees or authorized representatives of a broker acting on behalf of the Franchisor that have not been authorized, or that were not disclosed in the Disclosure Document or that may be untrue, inaccurate or misleading. The Franchisor, through the use of this document, desires to ascertain (a) that the undersigned, individually, and as a representative of any legal entity established to acquire the franchise rights, fully understands and comprehends that the purchase of a franchise is a business decision, complete with its associated risks, and (b) that you are not relying upon any oral statement, representations, promises or assurances during the negotiations for the purchase of the franchise which have not been authorized by Franchisor.

In the event that you are intending to purchase an existing Franchised Business from an existing Franchisee, you may have received information from the transferring Franchisee, who is not an employee or representative of the Franchisor. The questions below do not apply to any communications that you had with the transferring Franchisee. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

Acknowledgments and Representations

1. Did you receive a copy of Franchisor's Franchise Disclosure Document (and all exhibits and attachments at least 14 calendar days prior to signing the Franchise Agreement or paying any consideration to the Franchisor (10 business days for Michigan; the earlier of 10 business days or the first personal meeting for New York; and the earlier of 14 calendar days or the first personal meeting for Iowa)? Check one: ____ Yes _____ No. If no, please comment:

_____

2. Have you studied and reviewed carefully Franchisor's Franchise Disclosure Document and Franchise Agreement? Check one: _____ Yes _____ No. If no, please comment:

_____

3. Did you receive a copy of the Franchise Agreement with any unilateral material changes made by Franchisor at least seven calendar days prior to the date on which the Franchise Agreement was executed? Check one: _____Yes. _____ No If no, please comment:

_____

4. Do you understand all the information contained in both the Franchise Disclosure Document and Franchise Agreement? Check one ____Yes ____No. If no, please comment:

_____

5. Was any oral, written or visual claim or representation made to you which contradicted the disclosures in the Franchise Disclosure Document, including statements, promises or agreements concerning advertising, marketing, training, support services or assistance to be furnished to you? Check one: ____No _____Yes. If yes, please state in detail the oral, written or visual claim or representation:

_____

6. Did any employee, broker, or other person speaking on behalf of Franchisor make any oral, written or visual claim, statement, promise or representation to you that stated, suggested, predicted, or projected sales, revenues, expenses, earnings, income or profit levels at any Franchised Business, or the likelihood of success at your Franchised Business? Check one: _____No _____Yes. If yes, please state in detail the oral, written or visual claim or representation:

_____

7. Do you understand that the Franchise granted is for the right to develop one Franchised Business and that Franchisor has the right, subject only to the limited rights granted to you under the Franchise Agreement, to issue Franchises or licenses or operate competing businesses for or at locations, as Franchisor determines, near your Franchised Business? Check one: _____Yes _____No. If no, please comment:

_____

8. Do you understand that the Franchise Agreement contains the entire agreement between you and Franchisor concerning your Franchised Business, meaning that any prior oral or written statements not set out in the Franchise Agreement or Franchise Disclosure Document will not be binding? Check one: ____ Yes _____ No. If no, please comment:

_____

9. Do you understand that the success or failure of your Franchised Business will depend in large part upon your skills and experience, your business acumen, your location, the local market for Franchised Business products and services, interest rates, the economy, inflation, the number of employees you hire and their compensation, competition and other economic and business factors? Further, do you understand that the economic and business factors that exist at the time you open your Franchised Business may change? Check one ____Yes _____No. If no, please comment:

_____

10. You further acknowledge that Executive Order 13224 (the "Executive Order") prohibits transactions with terrorists and terrorist organizations and that the United States government has adopted, and in the future may adopt, other anti-terrorism measures (the "Anti-Terrorism Measures"). The Franchisor therefore requires certain certifications that the parties with whom it deals are not directly involved in terrorism. For that reason, you hereby certify that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, is:

(i) a person or entity listed in the Annex to the Executive Order;

(ii) a person or entity otherwise determined by the Executive Order to have committed acts of terrorism or to pose a significant risk of committing acts of terrorism;

(iii) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or

(iv) owned or controlled by terrorists or sponsors of terrorism.

You further covenant that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, will during the term of the Franchise Agreement become a person or entity described above or otherwise become a target of any Anti-Terrorism Measure.

11. Please list all states in which the undersigned are residents: _____.

I signed the Franchise Agreement and Addendum (if any) on _____, 20___, and acknowledge that no Agreement or Addendum is effective until signed and dated by the Franchisor.

Please understand that your responses to these questions are important to us and that we will rely on them. By signing this Questionnaire, you are representing that you have responded truthfully to the above questions.

NOTE: IF THE FRANCHISEE IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS PRINCIPAL OWNERS MUST EXECUTE THIS ACKNOWLEDGMENT.

IN WITNESS WHEREOF, each of the undersigned has executed this Acknowledgement Statement effective as of the date of the Franchise Agreement.

_____
Name of Franchisee

By: _____
Name: _____
Date: _____

Exhibit J

STATE ADDENDA

Paris Baguette Family, Inc.

EXHIBIT J

STATE ADDENDA

ADDENDUM TO THE DISCLOSURE DOCUMENT
UNDER THE CALIFORNIA FRANCHISE INVESTMENT LAW

Notwithstanding anything to the contrary set forth in the Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of California:

1. The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise be delivered together with the Franchise Disclosure Document.

2. California Business and Professions Code 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.

3. Item 3 of the Disclosure Document is amended to provide that:

   "neither the franchisor, nor any person in Item 2 of the Disclosure Document, is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C. § 78(a) et seq., suspending or expelling such persons from membership in that association or exchange."

4. 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.).

5. 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.

6. The Franchise Agreement requires binding arbitration. The arbitration will occur in Los Angeles County, California with the costs of the arbitrators' fees and the fees payable to the American Arbitration Association being borne jointly by you and us but you must pay your own legal fees, legal expenses, transportation, and travel accommodations.

7. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Codeof Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a Franchise Agreement restricting venue to a forum outside the State of California.

8. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

9. You must sign a general release if you renew or transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§31000 through 31516). Business and Professions Code §20010 voids a waiver of your rights underthe Franchise Relations Act (Business and Professions Code §§20000 through 20043).

10. Any interest rate charged to a California franchisee shall comply with the California Constitution. The interest rate shall not exceed either (a) 10% annually or (b) 5% annually plus the prevailing interest rate charged to banks by the Federal Reserve Bank of San Francisco, whichever is higher.

11. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

12. Under California law, an agreement between a seller and a buyer regarding the price at which the buyer can resell a product (known as vertical price-fixing or resale price maintenance) is illegal. Therefore, requirements on franchisees to sell goods or services at specific prices set by the franchisor may be unenforceable.

13. An impound condition has been imposed. All initial fees payable by you shall be paid into an escrow account with Zions Bancorporation, National Association, (the "Depository"), and shall remain impounded with the Depository, until our initial obligations to you are complete, you are open for business, and we receive a written order from the California Commissioner of the Department of Financial Protectionand Innovation authorizing the release of funds.

14. 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.

AMENDMENT TO THE PARIS BAGUETTE FAMILY, INC. FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF CALIFORNIA

In recognition of the requirements of the California Franchise Investment Law, the parties to the attached Paris Baguette Family Inc. Franchise Agreement (the "Franchise Agreement") hereby agree as follows:

1. Sections 4.A of the Franchise Agreement (Initial Franchise Fees), shall be amended by supplementing it with the following:

> Payment of all initial fees payable by Franchisee shall be paid into an escrow account with Zions Bancorporation, National Association, (the "Depository"), and shall remain impounded with the Depository, until after all of Franchisor's initial obligations to Franchisee are complete and Franchisee is open for business and until the Depository receives a written order from the California Commissioner of the Department of Financial Protection and Innovation authorizing the release of funds.

2. Franchisee shall be provided with a Purchase Receipt in the form attached hereto as Exhibit A.

3. Both the governing law and choice of law for franchisees operating outlets located in California, will be the California Franchise Investment Law and the California Franchise Relations Act regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the franchise agreement or amendment to or any agreement to the contrary is superseded by this condition.

4. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. A contract that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code Section 16600.

5. No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

6. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the California Franchise Investment Law are met independently without reference to this Amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed this California Amendment to the Franchise Agreement in duplicate on the date indicated below.

PARIS BAGUETTE FAMILY INC., a Delaware corporation

By: _____
Name: _____
Date: _____

FRANCHISEE:

By: _____
Name: _____
Date: _____

EXHIBIT A

1. Name and Address of **Buyer/Franchisee**:

   _____
   _____

2. Name of **Individual** Receiving Payment for Franchisor: _____

3. General **Location** of Franchise Involved and **Total Purchase Price**:

4. Amount of **Payment Received**: $_____

5. Name and Address of **Depositary**: Zions Bancorporation, National Association
   550 S. Hope Street
   Suite 2875
   Los Angeles, CA 90071

6. **Date** of Payment: _____

These funds will only be released to the franchisor upon order of the Commissioner upon a showing pursuant to Commissioner's Rule 310.113.4, Title 10, CA Code of Regulations, that the franchisor has fulfilled its obligation under the Franchise Agreement. **NO FUNDS MAY BE RELEASED FROM THE IMPOUND ACCOUNT UNDER ANY CIRCUMSTANCES TO ANY PARTY (INCLUDING THE FRANCHISEE) WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMMISSIONER**.

PARIS BAGUETTE FAMILY INC., a Delaware corporation

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

FRANCHISEE:

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

AMENDMENT TO THE PARIS BAGUETTE FAMILY INC. AREA DEVELOPMENT AGREEMENT
REQUIRED BY THE STATE OF CALIFORNIA

In recognition of the requirements of the California Franchise Investment Law, the parties to the attached Paris Baguette Family Inc. Area Development Agreement (the "Area Development Agreement") hereby agree as follows:

1. Sections 2.A of the Area Development Agreement (Area Development Fees), shall be amended by supplementing it with the following:

   The payment of the development and initial fees shall be paid into an escrow account with Zions Bancorporation, National Association, (the "Depository"), and shall remain impounded with the Depository, and released on a per unit basis, once all of Franchisor's initial obligations to Franchisee attributable to a specific unit in the development schedule are complete for that unit and the unit is opened.

2. Franchisee shall be provided with a Purchase Receipt in the form attached hereto as Exhibit A.

3. Both the governing law and choice of law for franchisees operating outlets located in California, will be the California Franchise Investment Law and the California Franchise Relations Act regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the franchise agreement or amendment to or any agreement to the contrary is superseded by this condition.

4. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. A contract that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code Section 16600.

5. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the California Franchise Investment Law are met independently without reference to this Amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed this California Amendment to the Franchise Agreement in duplicate on the date indicated below.

PARIS BAGUETTE FAMILY INC., a Delaware corporation

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

AREA DEVELOPER:

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

EXHIBIT A

1. Name and Address of **Buyer/Developer**:

_____

_____

1. Name of **Individual** Receiving Payment for Franchisor: _____

2. General **Location** of Franchise Involved and **Total Purchase Price**:

3. Amount of **Payment Received**: $_____

4. Name and Address of **Depositary**: Zions Bancorporation, National Association
   550 S. Hope Street
   Suite 2875
   Los Angeles, CA 90071

5. **Date** of Payment: _____

These funds will only be released to the franchisor upon order of the Commissioner upon a showing pursuant to Commissioner's Rule 310.113.4, Title 10, CA Code of Regulations, that the franchisor has fulfilled its obligation under the Franchise Agreement. **NO FUNDS MAY BE RELEASED FROM THE IMPOUND ACCOUNT UNDER ANY CIRCUMSTANCES TO ANY PARTY (INCLUDING THE FRANCHISEE) WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMMISSIONER**.

PARIS BAGUETTE FAMILY INC., a Delaware corporation

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

AREA DEVELOPER:

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

ADDENDUM TO THE PARIS BAGUETTE FAMILY INC.
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF HAWAII

In recognition of the requirements of the Hawaii Franchise Investment Law, the Franchise Disclosure Document for Paris Baguette Family Inc. for use in the State of Hawaii shall be supplemented as follows:

1. THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF REGULATORY AGENCIES OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

   THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

   THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS,RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

2. Based upon our financial condition, the Hawaii Department of Commerce and Consumer Affairs requires us to defer payment of all initial fees owed by you to us until your Café opens for business.

3. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Hawaii Franchise Investment Law, with respect to each such provision, are metindependent of this Addendum. The Addendum shall have no force or effect if such jurisdictionalrequirements are not met.

AMENDMENT TO THE PARIS BAGUETTE FAMILY INC.
FRANCHISE AGREEMENT

REQUIRED BY THE STATE OF HAWAII

In recognition of the requirements of the Hawaii Franchise Investment Law, the parties to the attached Paris Baguette Family Inc. Franchise Agreement (the "Franchise Agreement") hereby agree as follows:

1. Sections 4.A of the Franchise Agreement (Initial Franchise Fees), shall be amended by supplementing it with the following:

   Based upon our financial condition, the Hawaii Department of Commerce and Consumer Affairs requires us to defer payment of all initial fees owed by you to us until your Café opens for business.

2. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Department of Commerce and Consumer Affairs are met independently without references to this Amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed this Hawaii Amendment to the Franchise Agreement in duplicate on the date indicated below.

PARIS BAGUETTE FAMILY INC., a Delaware corporation

By:_____
Name:_____
Title _____
Date: _____

FRANCHISEE

By:_____
Name:_____
Title _____
Date: _____

AMENDMENT TO THE PARIS BAGUETTE FAMILY INC.
AREA DEVELOPMENT AGREEMENT

REQUIRED BY THE STATE OF HAWAII

In recognition of the requirements of the Hawaii Franchise Investment Law, the parties to the attached Paris Baguette Family Inc. Area Development Agreement (the "Area Development Agreement") hereby agree as follows:

1. Sections 2.A of the Area Development Agreement Area Development Fees), shall be amended by supplementing it with the following:

   Based on our financial condition, the Hawaii Department of Commerce and Consumer Affairs requires us to defer payment of all initial fees owed by you to us until your first Café opens for business.

2. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Department of Commerce and Consumer Affairs are met independently without references to this Amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed this Hawaii Amendment to the Area Development Agreement in duplicate on the date indicated below.

PARIS BAGUETTE FAMILY INC., a Delaware corporation

By:_____
Name:_____
Title _____
Date: _____

AREA DEVELOPER

By:_____
Name:_____
Title _____
Date: _____

ADDENDUM TO THE PARIS BAGUETTE FAMILY, INC. FRANCHISE DISCLOSURE DOCUMENT

REQUIRED BY THE STATE OF MARYLAND

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the Franchise Disclosure Document of Paris Baguette Family, Inc. for use in the State of Maryland shall be amended as follows:

1. Item 5 of the Franchise Disclosure Document, shall be supplemented by adding the following language at the end of each Item:

> All initial fees paid by you to us, including payments for goods and services received from the franchisor before the business opens shall be held in escrow until we have fulfilled our pre-opening obligations to you. In addition, all development fees and initial payments by area developers shall be escrowed until the first franchise under the area development agreement opens.

2. Items 17(c) and 17(m), under the headings, "Requirements for you to extend" and "Conditions for approval of transfer" for the Franchise Agreement shall be supplemented by adding the following language at the end of each Item:

> However, pursuant to COMAR 02.02.08.16L, the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. Item 17(m), under the heading, "Conditions for approval of transfer" for the Area Development Agreement shall be supplemented by adding the following language at the end of each Item:

> However, pursuant to COMAR 02.02.08.16L, the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. Item 17(h), under the heading entitled "'Cause' defined – non-curable defaults" for the Franchise Agreement, shall be supplemented by adding the following language at the end of the Item:

> The provision in the Franchise Agreement which provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

5. Item 17(h), under the heading entitled "'Cause' defined – non-curable defaults" for the Area Development Agreement, shall be supplemented by adding the following language at the end of the Item:

> The provision in the Area Development Agreement which provides for termination upon bankruptcy of the area developer may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

6. Items 17(v) and 17(w), under the headings entitled "Choice of forum" and "Choice of law" for the Franchise Agreement and Area Development Agreement shall be supplemented by adding the following language at end of each Item:

except that you may sue us in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

7. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

8. Exhibit I, Summary of Acknowledgments, is hereby deleted and will not be applicable for use in the State of Maryland.

9. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, with respect to each such provision, are met independent of this Addendum. The Addendum shall have no force or effect if such jurisdictional requirements are not met.

* * *

AMENDMENT TO THE PARIS BAGUETTE FAMILY, INC.FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF MARYLAND

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the attached Paris Baguette Family, Inc. Franchise Agreement ("Franchise Agreement") between the parties hereto is hereby amended as follows:

1. The Maryland Securities Commissioner has imposed an escrow condition. Payment of allinitial fees by Franchisee, including payments for goods and services received from the Franchisorbefore the business opens shall be held in escrow with Eagle Bank, Account #355825870 until Franchisor has fulfilled its pre-opening obligations to Franchisee. Such funds will only be releasedpursuant to, and in accordance with, an order of the Securities Commission, or in compliance withan order of any court of competent jurisdiction.

2. The provision in the Franchise Agreement which provides for termination upon bankruptcyof the Franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

3. Pursuant to COMAR 02.02.08.16L, the general release required as a condition of renewal,sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

5. A Maryland franchisee can bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed this Maryland Amendment to the Franchise Agreement in duplicate on the date indicated below.

PARIS BAGUETTE FAMILY INC., a Delaware corporation

By:_____
Name:_____
Title _____
Date: _____

FRANCHISEE:

By:_____
Name:_____
Date: _____

AMENDMENT TO THE PARIS BAGUETTE FAMILY, INC.
AREA DEVELOPMENT AGREEMEN
REQUIRED BY THE STATE OF MARYLAND

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the attached Paris Baguette Family, Inc. Area Development Agreement ("Area Development Agreement") between the parties hereto is hereby amended as follows:

1. The Maryland Securities Commissioner has imposed an escrow condition. Payment of allinitial fees by the Area Developer, including payments for goods and services received from the Franchisor before the business opens shall be held in escrow with Eagle Bank, Account #355825870 until the first unit to be developed is opened. Such funds will only be released pursuant to, and in accordance with, an order of the Securities Commission, or in compliance with an order of any court of competent jurisdiction.

2. The provision in the Area Development Agreement which provides for termination upon bankruptcy of the Area Developer may not be enforceable under federal bankruptcy law (11 U.S.C.Section 101 et seq.).

3. Pursuant to COMAR 02.02.08.16L, the general release required as a condition of renewal,sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the development rights.

5. A Maryland Area Developer can bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed this Maryland Amendment to theArea Development Agreement in duplicate on the date indicated below:

PARIS BAGUETTE FAMILY INC., a Delaware corporation

By:_____
Name:_____
Date: _____

AREA DEVELOPER:

By:_____
Name:_____
Date: _____

ADDENDUM TO THE PARIS BAGUETTE FAMILY INC.FRANCHISE DISCLOSURE DOCUMENT

REQUIRED BY THE STATE OF ILLINOIS

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, the Franchise Disclosure Document for Paris Baguette Family Inc. for use in the State of Illinois shall be amended as follows:

Illinois law governs the agreements between the parties to this franchise, to the extent applicable.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, to the extent applicable, any provision in a franchiseagreement that designates jurisdiction or venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act, to the extent applicable.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, to the extent applicable, any condition, stipulationor 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.

IF YOU ELECT TO PURSUE THIS FRANCHISE OPPORTUNITY AS A FRANCHISEE AND/OR AREA DEVELOPER, YOU WILL HAVE NO RIGHT TO TERMINATE THE FRANCHISE/AREA DEVELOPMENT AGREEMENT.

THERE IS NO FORMAL SCHEDULES FOR INITIAL TRAINING. INITIAL TRAINING FOR THIS FRANCHISE OPPORTUNITY IS OFFERED “AS NEEDED”. IF YOU OPEN YOUR BUSINESS MORE THAN 1 MONTH AFTER COMPLETING INITIAL TRAINING, THE FRANCHISOR MAY REQUIRE ADDITIONAL TRAINING AT YOUR EXPENSE.

No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Due to the Franchisor’s financial condition, the Illinois Attorney General’s Office has imposed an escrow requirement for the initial fees paid by the Franchisee or Area Developer until the Franchisor has satisfied its pre-opening obligations and the franchise business is open (or, in the case of an Area Developer, the first location to be developed has opened for business). The escrow agreement is on file at the Office of the Attorney General. Item 5 of the Franchise Disclosure Document is updated accordingly.

AMENDMENT TO THE PARIS BAGUETTE FAMILY INC.
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF ILLINOIS

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, the parties to the Paris Baguette Family Inc. Franchise Agreement (the "Franchise Agreement") agree as follows:

Illinois law governs the agreements between the parties to this franchise, to the extent applicable.

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

Your rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act, to the extent applicable.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, to the extent applicable, any condition, stipulationor 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.

IF YOU ELECT TO PURSUE THIS FRANCHISE OPPORTUNITY AS A FRANCHISEE AND/OR AREA DEVELOPER, YOU WILL HAVE NO RIGHT TO TERMINATE THE FRANCHISE/AREA DEVELOPMENT AGREEMENT.

THERE IS NO FORMAL SCHEDULE FOR INITIAL TRAINING. INITIAL TRAINING FOR THIS FRANCHISE OPPORTUNITY IS OFFERED "AS NEEDED". IF YOU OPEN YOUR BUSINESS MORE THAN 1 MONTH AFTER COMPLETING INITIAL TRAINING, THE FRANCHISOR MAY REQUIRE ADDITIONAL TRAINING AT YOUR EXPENSE.

No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Due to the Franchisor's financial condition, the Illinois Attorney General's Office has imposed an escrow requirement for the initial fees paid by the Franchisee until the Franchisor has satisfied its pre-opening obligations and the franchise business is open. The escrow agreement is on file at the Office of the Attorney General. The appropriate provisions of the Franchise Agreement are amended accordingly.

IN WITNESS WHEREOF, the parties hereto have duly executed this Amendment to the Franchise Agreement in duplicate on the date indicated below:

PARIS BAGUETTE FAMILY INC.	FRANCHISEE
By:_____	By:_____
Name:_____	Name:_____
Date:_____	Date:_____

AMENDMENT TO THE PARIS BAGUETTE FAMILY INC.
AREA DEVELOPMENT AGREEMENT
REQUIRED BY THE STATE OF ILLINOIS

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, the parties to the Paris Baguette Family Inc. Area Development Agreement (the "Area Development Agreement") agree as follows:

Illinois law governs the agreements between the parties to this franchise, to the extent applicable.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, to the extent applicable, any provision in a development agreement that designates jurisdiction or venue in a forum outside of the State of Illinois is void. However, a development agreement may provide for arbitration to take place outside of Illinois.

Your rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act, to the extent applicable.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, to the extent applicable, any condition, stipulationor 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.

IF YOU ELECT TO PURSUE THIS FRANCHISE OPPORTUNITY AS A FRANCHISEE AND/OR AREA DEVELOPER, YOU WILL HAVE NO RIGHT TO TERMINATE THE FRANCHISE/AREA DEVELOPMENT AGREEMENT.

THERE IS NO FORMAL SCHEDULE FOR INITIAL TRAINING. INITIAL TRAINING FOR THIS FRANCHISE OPPORTUNITY IS OFFERED "AS NEEDED". IF YOU OPEN YOUR BUSINESS MORE THAN 1 MONTH AFTER COMPLETING INITIAL TRAINING, THE FRANCHISOR MAY REQUIRE ADDITIONAL TRAINING AT YOUR EXPENSE.

No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Due to the Franchisor's financial condition, the Illinois Attorney General's Office has imposed an escrow requirement for the initial fees paid by the Area Developer until the Franchisor has satisfied its pre-opening obligations and the first location to be developed has opened for business. The escrow agreement is on file at the Office of the Attorney General. The appropriate provisions of the Area Development Agreement are amended accordingly.

IN WITNESS WHEREOF, the parties hereto have duly executed this Amendment to the Development Agreement in duplicate on the date indicated below.

PARIS BAGUETTE FAMILY INC.	**AREA DEVELOPER**
By:_____	By:_____
Name:_____	Name:_____
Date:_____	Date:_____

ADDENDUM TO THE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF MINNESOTA

In recognition of the requirements of the Minnesota Statutes, Sections80C.01 through 80C.22 (the "Minnesota Franchise Act"), and the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce (Minn. Rules 2860.0100 through 2860.9930), the Franchise Disclosure Document of Paris Baguette Family Inc. for use in the state of Minnesota shall be amended to be consistent with the following:

1. In Item 6, the "Remarks" column of the "Insufficient Funds Fee" shall be amended by adding the following language:

   With respect to franchises operating in Minnesota, the Insufficient Funds Fee shall be capped at $30 pursuant to Minnesota Statutes, Section 604.113.

2. In Item 17, sections (c), (f), and (k) of each chart, under the headings "Requirements for Franchisee to Renew or Extend," "Termination by Franchisor With Cause," and "Transfer by Franchisee – Defined", respectively, shall be amended by adding the following language at the end of each section:

   With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subds. 3, 4, and 5, which require (except in certain specified cases) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for nonrenewal of the franchise agreement; and that consent to the transfer of the franchise will not be unreasonably withheld.

3. In Item 17, sections (c) and (m) of the Franchise Agreement chart, under the headings "Requirements for Franchisee to Renew or Extend," and "Conditions for Franchisor Approval of Transfer," respectively, shall be amended by adding the following language at the end of each section:

   Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release of liability under the Minnesota Franchise Act. Accordingly, the general release will not apply to any liability under the Minnesota Franchise Act to the extent applicable.

4. In Item 17, sections (u), (v), (w) and (x) of each chart, under the headings "Dispute Resolution by Arbitration or Mediation," "Choice of Forum," "Choice of Law" and "Liquidated Damages", respectively, shall be amended by adding the following language at the end of each section:

   Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce any of franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction to the extent applicable.

5. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

6. Each provision of this Addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Act, and the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, are met independently without reference to this Addendum to the Disclosure Document.

* * *

AMENDMENT TO THE FRANCHISE AGREEMENT REQUIRED BY THE STATE OF MINNESOTA

In recognition of the requirements of the Minnesota Franchise Act, Minnesota Statutes, Sections80C.01 through 80C.22 (the "Minnesota Franchise Act") and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce (Minnesota Rules §§ 2860.0100 through 2860.9930), the parties to the attached Paris Baguette Family Inc. Franchise Agreement (the "Franchise Agreement") hereby amend the Franchise Agreement to be consistent with the following, to the extent applicable:

1. Notwithstanding the language of Sections 3.B, 14, and 17 of the Franchise Agreement, under the headings "Term and Renewal," "Transfer," and "Termination," respectively, theparties agree as follows:

   With respect to franchises governed by Minnesota law, the franchisor willcomply with Minnesota Statutes, Section 80C.14, Subds. 3, 4, and 5, which require (except in certain specified cases) that a franchisee be given90 days' notice of termination (with 60 days to cure) and 180 days' noticeof nonrenewal of the franchise agreement; and that consent to the transferof the franchise will not be unreasonably withheld.

2. Notwithstanding the language of Sections 3.B(8) and 14.B(3) of the Franchise Agreement,under the headings "Term and Renewal" and "Transfers," respectively, the parties agree asfollows, to the extent applicable:

   The general release will not apply to any liability under the Minnesota Franchise Act.

3. Notwithstanding the language of Sections 18.D, 19.I, 19.L, and 19.O, of the Franchise Agreement, under the headings "Liquidated Damages," "Jurisdiction and Venue," "Governing Law," and "Waiver of Jury," respectively, the parties agree as follows, to the extent applicable:

   Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. Inaddition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce any of franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction."

4. Notwithstanding the language of Section 19.J of the Franchise Agreement, under the heading "Injunctive Relief," the parties agree as follows, to the extent applicable:

   Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit the franchisor from requiring a franchisee to consent to injunctiverelief. A court will determine if a bond is required. Section 19.J shall not in any way abrogate or reduce any of Franchisee's rights as provided for in the Minnesota Franchise Act and the Rules and Regulationspromulgated thereunder by the Minnesota Commissioner of Commerce.

5. Section 19.Q of the Franchise Agreement, under the heading entitled "Limitation of Claims," shall be supplemented by the addition of the following language, to the extent applicable:

   This Section 19.Q shall not in any way abrogate or reduce the time periodfor bringing a civil action under Minn. Stat. § 80C.17, Subd. 5.

6. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

7. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Act and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, are met independently without reference to this Amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

PARIS BAGUETTE FAMILY INC., a Delaware corporation

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

FRANCHISEE:

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

AMENDMENT TO THE DEVELOPMENT AGREEMENT REQUIRED BY THE STATE OF MINNESOTA

In the recognition of the requirements of Minnesota Statutes, Sections 80C.01 through 80C.22 (the "Minnesota Franchise Act") and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce (Minnesota Rules 2860.0100 through 2860.9930), the parties to the attached Paris Baguette Development Agreement (the "Development Agreement") hereby amend the Development Agreement to be consistent with the following, to the extent applicable:

1. Notwithstanding the language of Sections 4.A, 7, and 8.B of the Development Agreement, under the headings "Term," "Default and Termination; Post-Termination Obligations," and "Transfer of Interest," respectively, the parties agree as follows, to the extent applicable:

   With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subds. 3, 4, and 5, which require (except in certain specified cases) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of nonrenewal of the franchise agreement; and that consent to the transfer of the franchise will not be unreasonably withheld.

2. Notwithstanding the language of Sections 12.H, 12.I, 12.K, of the Development Agreement, under the headings entitled "Jurisdiction and Venue," "Governing Law," and "Jury Waiver," respectively, the parties agree as follows to the extent applicable:

   Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce any of franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

3. Notwithstanding the language of Section 9.H of the Development Agreement, under the heading entitled "Injunctive Relief," the parties agree as follows, to the extent applicable:

   Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit the franchisor from requiring a franchisee to consent to injunctive relief. A court will determine if a bond is required. Section 9.H shall not in any way abrogate or reduce any of Developer's rights as provided for in the Minnesota Franchise Act and the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce.

4. Section 12.N of the Development Agreement, under the heading entitled "Limitation of Claims," shall be supplemented by the addition of the following language to the extent applicable:

   This Section 12.N shall not in any way abrogate or reduce the time period for bringing a civil action under Minn. Stat. § 80C.17.

5. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims

under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

6. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Act and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, are metindependently without reference to this Amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Amendment to the Development Agreement on the same date as that on which the Development Agreement was executed.

PARIS BAGUETTE FAMILY INC., a Delaware corporation

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

DEVELOPER:

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

ADDENDUM TO THE DISCLOSURE DOCUMENT UNDER THENEW YORK FRANCHISE LAW

Notwithstanding anything to the contrary set forth in the Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of New York:

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. Item 3 is amended by adding the following:

"Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities

association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. Item 4 is amended by adding the following:

"Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership."

4. The following is added to the end of Item 5:

"The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion."

5. The following is added to the end of the "Summary" sections of Item 17(c), titled "**Requirements for franchisee to renew or extend**," and Item 17(m), entitled "Conditions for franchisor approval of transfer":

"However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied."

6. The following language replaces the "Summary" section of Item 17(d), title "**Assignment of contract by franchisor**":

"You may terminate the agreement on any grounds available by law."

7. The following is added to the end of the "Summary" section of Item 17(j), titled "**Assignment of contract by franchisor**":

"However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement."

8. The following is added to the end of the "Summary" sections of Item 17(v), titled "**Choice of forum**", and Item 17(w), titled "**Choice of law**":

"The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York."

ADDENDUM TO THE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF NORTH DAKOTA

THE SECURITIES COMMISSIONER HAS HELD THE FOLLOWING TO BE UNFAIR, UNJUST, OR INEQUITABLE TO NORTH DAKOTA FRANCHISEES (NORTH DAKOTA CENTURY CODE (NDCC) Section 51-19-09):

In recognition of the requirements of North Dakota Century Code, Section 51-19-09, to the extent applicable, the Franchise Disclosure Document of Paris Baguette for use in the State of North Dakota shall be amended to include the following:

1. Item 17(c) shall be supplemented by addition of the following language:

   You will not be required to sign a general release upon renewal of the franchise agreement.

2. Item 17(i) shall be supplemented by the addition of the following language:

   You will not be required to consent to liquidated damages or termination penalties.

3. Item 17(r) shall be supplemented by the addition of the following language:

   All covenants restricting competition are subject to North Dakota Century Code, Section 9-08-06. Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.

4. The language in Item 17(u) shall be supplemented with the following language:

   Arbitration and mediation will be held at a site agreeable to all parties and may not be remote from the franchisee's place of business.

5. The language in Item 17(v) shall be deleted.

6. The language in Item 17(w) shall be deleted.

AMENDMENT TO THE FRANCHISE AGREEMENTREQUIRED BY THE STATE OF NORTH DAKOTA

In recognition of the requirements of North Dakota Century Code, Section 51-19-09, to the extent applicable, the parties to the attached Paris Baguette Franchise Agreement (the "Franchise Agreement") agree as follows:

1. The following language shall be added at the end of Section 3.B.(8) of the Franchise Agreement:

   > You shall not be required to sign a general release upon renewal of the Franchise Agreement.

2. The North Dakota Securities Commissioner has imposed an escrow condition. Payment of all initial fees by Franchisee, including payments for goods and services received from the Franchisor before the business opens shall be held in escrow at Eagle Bank, Account #369762038 until Franchisor has fulfilled its pre-opening obligations to Franchisee. Such funds will only be released to, and in accordance with, an order of the North Dakota Securities Commissioner, or in compliance with an order of any court of competent jurisdiction.

3. Section 18.D of the Franchise Agreement is hereby deleted.

4. The following language shall be added at the end of Section 10.C of the Franchise Agreement:

   > All covenants restricting competition are subject to North Dakota Century Code, Section 9-08-06. Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.

5. The language in Section 19 of the Franchise Agreement is supplemented with the following language:

   > Arbitration and mediation will be held at a site agreeable to all parties and may not be remote from the franchisee's place of business.

6. The language in Section 19 of the Franchise Agreement requiring franchisees to consent to the jurisdiction of courts in New York is hereby deleted.

7. The language in Section 19 of the Franchise Agreement requiring franchisees to consent to Delaware governing law is hereby deleted.

8. Section 19.O of the Franchise Agreement is hereby deleted.

9. The language in Section 19.N of the Franchise Agreement requiring franchisees to consent to a waiver of exemplary and punitive damages is hereby deleted.

IN WITNESS WHEREOF, the parties hereto have duly executed this North Dakota Amendment to the Franchise Agreement in duplicate on the date indicated below.

PARIS BAGUETTE FAMILY INC., a Delaware corporation

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

FRANCHISEE:

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

AMENDMENT TO THE DEVELOPMENT AGREEMENTREQUIRED BY THE STATE OF NORTH DAKOTA

In recognition of the requirements of North Dakota Century Code, Section 51-19-09, to the extent applicable, the parties to the attached Paris Baguette Development Agreement (the "Development Agreement") agree as follows:

1. The North Dakota Securities Commissioner has imposed an escrow condition. Payment of all initial fees by the Area Developer, including payments for goods and services received from the Franchisor before the business opens shall be held in escrow with Eagle Bank, Account #369762038 until Franchisor has fulfilled its pre-opening obligations to Area Developer for the first Café to be developed. Such funds will only be released to, and in accordance with, an order of the North Dakota Securities Commissioner, or in compliance with an order of any court of competent jurisdiction.

2. Section 7.C of the Development Agreement is hereby deleted.

3. The following language shall be added at the end of Section 9.B of the Development Agreement:

   All covenants restricting competition are subject to North Dakota Century Code, Section 9-08-06. Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.

4. The language in Section 12.I of the Development Agreement is hereby deleted and replaced by the following language:

   This Agreement shall be interpreted and construed exclusively under the laws of the State of North Dakota.

5. The language in Section 12 of the Development Agreement is supplemented with the following language:

   Arbitration and mediation will be held at a site agreeable to all parties and may not be remote from the franchisee's place of business.

6. The language in Section 12 of the Development Agreement requiring franchisees to consent to the jurisdiction of courts in New York is hereby deleted.

7. The language in Section 12 of the Development Agreement requiring franchisees to consent to Delaware governing law is hereby deleted.

8. Section 12.K of the Development Agreement is hereby deleted.

9. The language in Section 12.J of the Development Agreement requiring franchisees to consent to a waiver of exemplary and punitive damages is hereby deleted.

IN WITNESS WHEREOF, the parties hereto have duly executed this North Dakota Amendment to the Development Agreement in duplicate on the date indicated below.

PARIS BAGUETTE FAMILY INC.	**DEVELOPER**
By:_____	By: _____
Name:_____	Name: _____
Title:_____	Title: _____

ADDENDUM TO THE DISCLOSURE DOCUMENT UNDER THE RHODE ISLAND FRANCHISE DISCLOSURE ACT

In recognition of the requirements of the Rhode Island Franchise Investment Act, the Franchise Disclosure Document of Paris Baguette Family Inc. for use in the State of Rhode Island shall be amended to include the following:

1. The sentences in Items 17v. and 17w. shall be supplemented with the following language:

   except that you may sue us in Rhode Island for claims arising under the Rhode Island Franchise Investment Act.

2. Item 17 shall be supplemented by the addition of the following language at the end of Item 17:

   Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement or area development agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

3. Each provision of this Addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act are met independently without reference to this Addendum to the Disclosure Document.

ADDENDUM TO THE DISCLOSURE DOCUMENT UNDER THE VIRGINIA RETAIL FRANCHISING ACT

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Paris Baguette Family Inc. for use in the Commonwealth of Virginia shall be amended as follows:

1. The following additional risk factors are to the third page of this Disclosure Document with the heading: "Special Risks to Consider About *This* Franchise":

   ONE OF THE PRIMARY TRADEMARKS THAT YOU WILL USE IN YOUR BUSINESS IS NOT FEDERALLY REGISTERED. IF THE FRANCHISOR'S RIGHT TO USE THIS TRADEMARK IN YOUR AREA IS CHALLENGED, YOU MAY HAVE TO IDENTIFY YOUR BUSINESS AND ITS PRODUCTS OR SERVICES WITH A NAME THAT DIFFERS FROM THAT USED BY OTHER FRANCHISEES OR THE FRANCHISOR. THIS CHANGE CAN BE EXPENSIVE AND MAY REDUCE BRAND RECOGNITION OF THE PRODUCTS OR SERVICES YOU OFFER.

   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.

2. Item 5 of the Franchise Disclosure Document is supplemented with the following:

   The Virginia State Corporation Commission's Division of Retail Franchising requires us to escrow the Initial Franchise Fee and other initial payments owed by you until we have completed our pre-opening obligations to you. You will pay the Initial Franchise Fee and other initial payments into an escrow account (Account #371458346) with Eagle Bank (the "Depository"), and those funds will remain in escrow with the Depository, until all of our pre-opening obligations are complete (or in the case of an Area Development Agreement, the pre-opening obligations for the first Café to be opened), and/or until otherwise ordered by Virginia State Corporation Commission's Division of Retail Franchising or a court of competent jurisdiction.

3. The following statements are added to Item 17.g and Item 17.h:

   "Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement and/or area development agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable."

4. No statement, questionnaire, or acknowledgement signed or agreed to by you in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

ADDENDUM TO THE FRANCHISE AGREEMENT UNDER THE VIRGINIA RETAIL FRANCHISING ACT

In recognition of the restrictions contained in Section 13.1-561 of the Virginia Retail Franchising Act, the Franchise Agreement for Paris Baguette Family Inc. for use in the Commonwealth of Virginia shall be amended as follows:

1. Section 4.A of the Franchise Agreement (Initial Franchise Fees), shall be amended by supplementing it with the following:

The Virginia State Corporation Commission's Division of Retail Franchising requires us to escrow the Initial Franchise Fee and other initial payments owed by Franchisee until Franchisor has completed its pre-opening obligations under this Agreement. Payment of the Initial Franchise Fee and other initial payments made by Franchisee shall be paid into an escrow account (Account #371458346) with Eagle Bank (the "Depository"). Such funds will only be released by the Depository in accordance with an order of the Virginia State Corporation Commissioner, or in compliance with an order of any court of competent jurisdiction.

2. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the parties hereto have duly executed this Virginia Amendment to the Franchise Agreement in duplicate on the date indicated below.

PARIS BAGUETTE FAMILY INC., a Delaware corporation

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

FRANCHISEE:

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

ADDENDUM TO THE DEVELOPMENT AGREEMENT UNDER THE VIRGINIA RETAIL FRANCHISING ACT

In recognition of the restrictions contained in Section 13.1-561 of the Virginia Retail Franchising Act, the Development Agreement for Paris Baguette Family Inc. for use in the Commonwealth of Virginia shall beamended as follows:

1. Sections 2.A of the Area Development Agreement (Area Development Fee), shall be amended bysupplementing it with the following:

The Virginia State Corporation Commission's Division of Retail Franchising requires Franchisor to escrow the Area Development Fee and other initial payments owed by Area Developer until Franchisor has completed its pre-opening obligations for the first Café to be opened pursuant to the Area Development Agreement. Payment of the Area Development Fee and other initial payments made by Area Developer shall be paid into an escrow account (Account #371458346) with Eagle Bank (the "Depository"). Such funds will only be released by the Depository in accordance with an order of the Virginia State Corporation Commissioner, or in compliance with an order of any court of competent jurisdiction.

2. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the parties hereto have duly executed this Virginia Amendment to the Development Agreement in duplicate on the date indicated below.

PARIS BAGUETTE FAMILY INC., a Delaware corporation

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

FRANCHISEE:

By:_____
Name:_____
Title: _____
Date:

Exhibit K

STATE EFFECTIVE DATES

Paris Baguette Family, Inc.

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration: California, Hawaii, Illinois, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Hawaii	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Wisconsin	Pending

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

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 Paris Baguette Family Inc. offers you a franchise, it must provide this Disclosure Document to you fourteen (14) calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York and Iowa require that we give you this Disclosure Document at the earlier of the first personal meeting or ten (10) business days (14 calendar days in Iowa) before the execution of the franchise or other agreementor the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you thisDisclosure Document at least ten (10) business days before the execution of any binding franchise or other agreementor the payment of any consideration, whichever occurs first.

If Paris Baguette Family 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 the state agency listed on Exhibit G.

The franchisor is Paris Baguette Family Inc. located at 137 West Commercial Avenue, Moonachie, New Jersey 07074. Its telephone number is (201) 507-4805. The franchise sellers are checked off below:

☐ TJ Rogers, 137 West Commercial Avenue, Moonachie, New Jersey 07074 (480) 370-1840
☐ David Chung, 3330 Harbor Drive, Costa Mesa, CA 92626 (562) 946-2010 (ext. 20148)
☐ _____

Issuance Date: April 5, 2025 (See Exhibit K of this Disclosure Document to determine if your state's Effective Date varies from the Issuance Date).

Paris Baguette Family Inc. authorizes the respective state agencies identified on Attachment B to receive service of process for it in the state. See Exhibit H for a list of our agents for service of process in the franchise registration states.

I received a disclosure document dated April 5, 2025 that includes the following Exhibits:

Exhibit A	Financial Statements
Exhibit B	Area Development Agreement (including attachments)
Exhibit C	Franchise Agreement (including attachments)
Exhibit D	List of Franchised Outlets
Exhibit E	Franchisees Who Have Left the System
Exhibit F	Manual Table of Contents
Exhibit G	List of State Administrators
Exhibit H	Agents for Service of Process
Exhibit I	Summary of Acknowledgments
Exhibit J	State Specific Addenda to Franchise Disclosure Document
Exhibit K	State Effective Dates Page
Exhibit L	Receipts

Dated: _____

Individually and as an Officer of the company designated below or of a company to be formed and designated below on formation:

_____ _____ of _____
(Signature) (Printed Name) (Name of Company)

[Keep this copy of the Receipt for your records.]

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 Paris Baguette Family Inc. offers you a franchise, it must provide this Disclosure Document to you fourteen (14) calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York and Iowa require that we give you this Disclosure Document at the earlier of the first personal meeting or ten (10) business days (14 calendar days for Iowa) before the execution of the franchise or other agreementor the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you thisDisclosure Document at least ten (10) business days before the execution of any binding franchise or other agreementor the payment of any consideration, whichever occurs first.

If Paris Baguette Family 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 the state agency listed on Exhibit G.

The franchisor is Paris Baguette Family Inc. located at 137 West Commercial Avenue, Moonachie, New Jersey 07074.Its telephone number is (201) 507-4805. The franchise sellers are checked off below:

☐ TJ Rogers, 137 West Commercial Avenue, Moonachie, New Jersey 07074 (480) 370-1840

☐ David Chung, 3330 Harbor Drive, Costa Mesa, CA 92626 (562) 946-2010 (ext. 20148)

☐ _____

Issuance Date: April 5, 2025 (See Exhibit K of this Disclosure Document to determine if your state's Effective Date varies from the Issuance Date).

Paris Baguette Family Inc. authorizes the respective state agencies identified on Attachment B to receive service of process for it in the state. See Exhibit H for a list of our agents for service of process in the franchise registration states.

I received a disclosure document dated April 5, 2025 that includes the following Exhibits

Exhibit A	Financial Statements
Exhibit B	Area Development Agreement (including attachments)
Exhibit C	Franchise Agreement (including attachments)
Exhibit D	List of Franchised Outlets
Exhibit E	Franchisees Who Have Left the System
Exhibit F	Manual Table of Contents
Exhibit G	List of State Administrators
Exhibit H	Agents for Service of Process
Exhibit I	Summary of Acknowledgments
Exhibit J	State Specific Addenda to Franchise Disclosure Document
Exhibit K	State Effective Dates Page
Exhibit L	Receipts

Dated:_____

Individually and as an Officer of the company designated below or of a company to be formed and designated belowon formation:

_____ _____ of _____

(Signature) (Printed Name) (Name of Company)

[Return this copy of the Receipt to Franchisor by signing, dating and forwarding it to Paris Baguette Family Inc]