FRANCHISE DISCLOSURE DOCUMENT

Sugar Plum Franchising, LLC
a Massachusetts limited liability company
~~1090 Massachusetts~~11 Wollaston Avenue~~, Suite 1~~
Arlington, Massachusetts 02476

888-679-0323
sugarplumparties.com
Twitter.com/SPPFranchising
Facebook.com/SugarPlumParties
Instagram.com/SugarPlumParties

The franchise is for the establishment and operation of a location that provides all-inclusive, theme-related party packages targeted for girls from ages 3 to 11 that include activities and pre-made food in a private, heavily decorated atmosphere using the Sugar Plum Parties trade name and business system (**"**Sugar Plum Parties Center" or "Party Center").

The total investment necessary to begin operation of a Sugar Plum Parties Center ranges from $~~94,300~~89,900 to $~~149,100~~149,900. This includes the $30,000 initial franchise fee that must be paid to us.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Ashley Shimabukuro at ~~1090 Massachusetts~~11 Wollaston Avenue, ~~Suite 1,~~ Arlington, Massachusetts 02476 or 888-679-0323 or Ashley@sugarplumparties.com.

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

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

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

Date of Issuance: ~~February 1~~April 27, ~~2016~~2017

SUGAR PLUM FRANCHISING, LLC
STATE EFFECTIVE DATE SUMMARY PAGE

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

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

~~California - Effective Date: April 8, 2016~~

~~New York - Effective Date: May 11, 2016~~

California - Effective Date: ___________, 2017

New York - Effective Date: ___________, 2017

Summary report: **Litéra® Change-Pro TDC 10.0.0.27 Document comparison done on 4/27/2017 2:37:56 PM**	
Style name: Camille	
Intelligent Table Comparison: Active	
Original DMS: dm://DALDMS/825943/1	
Modified DMS: dm://DALDMS/858162/1	
Changes:	
Add	2
~~Delete~~	0
~~Move From~~	0
Move To	0
Table Insert	0
~~Table Delete~~	1
Table moves to	0
~~Table moves from~~	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	3

STATE COVER PAGE

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

Call the state franchise administrator listed in Attachment A for information about the franchisor or about franchising in your state.

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

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION ONLY IN BOSTON, MASSACHUSETTS AND BY LITIGATION ONLY IN MIDDLESEX COUNTY, MASSACHUSETTS (SUBJECT TO STATE LAW). OUT OF STATE MEDIATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE WITH US IN BOSTON, MASSACHUSETTS AND TO SUE US IN MIDDLESEX COUNTY, MASSACHUSETTS THAN IN YOUR HOME STATE.

2. THE FRANCHISE AGREEMENT STATES THAT MASSACHUSETTS LAW GOVERNS THE FRANCHISE AGREEMENT (SUBJECT TO STATE LAW), AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS

3. IF THE FRANCHISEE IS AN INDIVIDUAL, THE FRANCHISEE'S SPOUSE MUST SIGN A PERSONAL GUARANTY UNDER WHICH THE SPOUSE WILL BE JOINTLY AND SEVERALLY LIABLE FOR OBLIGATIONS OF THE FRANCHISEE, WHETHER OR NOT THE SPOUSE IS INVOLVED IN THE OPERATION OF THE FRANCHISED BUSINESS. THIS REQUIREMENT PLACES THE PERSONAL AND MARITAL ASSETS OF THE FRANCHISE OWNER AND THE SPOUSE AT RISK.

4. 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.

5. THE FRANCHISOR HAS BEEN OFFERING FRANCHISES FOR A SHORT PERIOD OF TIME. THEREFORE, THERE IS ONLY A BRIEF OPERATING HISTORY TO ASSIST YOU IN JUDGING WHETHER OR NOT TO MAKE THIS INVESTMENT.

6. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM $~~94,300~~89,900 TO $~~149,100~~149,900. THIS AMOUNT EXCEEDS FRANCHISOR'S STOCKHOLDERS' EQUITY AS OF DECEMBER 31, ~~2015~~2016, WHICH WAS $~~28,133~~(229,680).

7. YOU MUST ACHIEVE A MINIMUM SALES PERFORMANCE IN THE FIRST 18 MONTHS. IF YOU FAIL TO DO SO, FRANCHISOR CAN TERMINATE YOUR AGREEMENT RESULTING IN THE LOSS OF YOUR INVESTMENT.

SUGAR PLUM FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT

TABLE OF CONTENTS

Item		Page
ITEM 1	THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES	1
ITEM 2	BUSINESS EXPERIENCE	2
ITEM 3	LITIGATION	3
ITEM 4	BANKRUPTCY	3
ITEM 5	INITIAL FEES	3
ITEM 6	OTHER FEES	4
ITEM 7	ESTIMATED INITIAL INVESTMENT	~~7~~8
ITEM 8	RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	10
ITEM 9	FRANCHISEE'S OBLIGATIONS	~~12~~13
ITEM 10	FINANCING	14
ITEM 11	FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING	14
ITEM 12	TERRITORY	~~18~~19
ITEM 13	TRADEMARKS	~~19~~**Error! Bookmark not defined.**
ITEM 14	PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION	~~20~~21
ITEM 15	OBLIGATION TO PARTICIPATE IN THE	~~21~~22
ITEM 16	RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	~~22~~23
ITEM 17	RENEWAL, TERMINATION, TRANSFER	23
ITEM 18	PUBLIC FIGURES	~~28~~29
ITEM 19	FINANCIAL PERFORMANCE REPRESENTATIONS	~~28~~29
ITEM 20	OUTLETS AND FRANCHISEE INFORMATION	30
ITEM 21	FINANCIAL STATEMENTS	~~32~~33
ITEM 22	CONTRACTS	~~32~~33
ITEM 23	RECEIPTS	33

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

The Franchisor, Its Parent, Predecessors, and Affiliates

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

We were organized as a Massachusetts limited liability company on October 19, 2015. Our principal business address is ~~1090 Massachusetts~~11 Wollaston Avenue~~, Suite 1~~, Arlington, Massachusetts 02476. Our affiliate, TAS Parties, LLC ("TAS"), a Massachusetts limited liability company, which shares our principal business address, was formed on July 13, 2015. TAS purchased the Sugar Plum Parties business from Sugar Plum Parties, Inc. on January 14, 2015.

We do business under our corporate name and under the name, "Sugar Plum Parties." Our agents for service of process in the states which require franchise registration are listed in Attachment B.

We sell franchises for locations that provide all-inclusive, theme-related party packages targeted for girls from ages 3 to 11 that include activities and pre-made food in a private, heavily decorated atmosphere using the Sugar Plum Parties trade name and business system ("Sugar Plum Parties Center" or "Party Center"). Sugar Plum Parties Centers do business under the name "Sugar Plum Parties" and other trademarks identified in Item 13 ("Marks"). We do not operate any Sugar Plum Parties Centers, but our affiliate, TAS, has owned and operated a Sugar Plum Parties Center in Arlington, Massachusetts ("Company Owned Center") since July 14, 2015.

We began offering franchises on February 1, 2016. We are not engaged in any other businesses and have never offered franchises in any other lines of business.

Our affiliate, Sound Lion Franchising, LLC, previously offered franchises for the establishment and operation of retail stores that specialize in the sale of headphones, earbuds, speakers, and related audio items and accessories. Sound Lion Franchising, LLC is a Massachusetts limited liability company that was formed on September 19, 2014, and it shares our principal place of business. As of the date of this disclosure document, Sound Lion Franchising, LLC had sold 3 franchises, all of which were mutually terminated by agreement of the parties in 2015. Sound Lion Franchising, LLC no longer sells franchises. Our affiliate, Sound Lion, Inc., owns and operates two Sound Lion Stores. Sound Lion, Inc. is a Massachusetts corporation that was formed on August 5, 2013, and it shares our principal place of business.

Except as described above, we have no other parents, predecessors, or affiliates that have offered franchises for this business or any other lines of business.

The Franchise

We offer qualified applicants franchises for Sugar Plum Party Centers that operate under the Sugar Plum Parties System ("System"). The System includes distinctive exterior and interior design, decor, and color scheme; furnishings; uniform standards, specifications, policies, and procedures for operations; quality and uniformity of the products and services offered; procedures for inventory, management, and financial control; training and assistance; record keeping and reporting; and advertising and promotional programs, all of which may be changed, improved, and further developed by us periodically. You must operate your Sugar Plum Party Center under the Marks and use other trade names, service marks, trademarks, logos, and other symbols we designate (or may later designate) in writing for use in the System.

ITEM 6
OTHER FEESOTHER FEES

Type of Fee[1]	Amount	Due Date	Remarks
Royalty Fee	9.5% of Gross Sales[2]	Wednesday of each week for the preceding week.	See Note 2 for the definition of Gross Sales. We require you to pay the royalty fee by electronic funds transfer. If you are in default of our operational standards, we may, as an alternative remedy to termination, increase the royalty fee to 15% of Gross Sales and charge you an additional $250 per week until you rectify the deficiencies.
Brand Building Fund contribution	Up to 2% of Gross Sales	Same as royalty fee.	See Note 2 for the definition of Gross Sales. Currently, 0.5% of your Gross Sales must be contributed to the Brand Building Fund. We require you to pay contributions to the Brand Building Fund by electronic funds transfer. We recommend that you spend at least 2% of Gross Sales on local marketing, but we do not require you to do so.
Internet-based Advertising	Currently, $20 per day on Google AdWords; starting two months before Center's scheduled grand opening[3] Currently, $75 per month on social media advertising Amount for search engine optimization (SEO) services will vary depending on the services you purchase	As invoiced	Upon 60 days notice to you, we reserve the right to increase the amount you must spend on Internet-based Advertising.

Type of Fee[(1)]	Amount	Due Date	Remarks
Web Services Fee	Currently, $100 per month	As invoiced	Currently, this fee is paid to our designated Web services and hosting provider. This amount may increase if the services provider increases its fees and/or if we add to the Web Services you must purchase.
Technical Support~~, Data Hosting, and Software Upgrade~~ Fee	Currently, $119 per month	As invoiced	~~You must pay~~Currently, this ~~monthly~~ fee is paid to our designated ~~supplier of the~~ point-of-sale ~~system~~provider. This amount may increase if the services provider increases its fee or if we designate the use of a different service provider.
~~Online Ordering / Scheduling Fee~~Scent Machine and Proprietary Scent	$~~50~~70 per month	As invoiced	You must pay this monthly fee to our designated supplier ~~of the point-of-sale system~~for our scent program. This amount may increase if the services provider increases its fees.
Copyright License Service	Varies~~. The current cost of the copyright license service ranges between~~; currently $200 ~~and~~to $600~~.~~	As arranged	You are required to obtain copyright licenses from our designated supplier for the recorded music we require you to play in your Party Center.
Merchandise for Resale	Reasonable cost	On demand	We may provide to you, at a reasonable cost, certain collateral merchandise for resale that identifies the Sugar Plum Parties business. If we make such merchandise available, we may require you to purchase quantities sufficient to meet customer demand.
Interest	18% per year or the maximum lawful rate	On demand	We may charge interest on all overdue amounts.
Late Fee	$100 for each late payment	On demand	We may charge you a late fee for each late payment in addition to any interest that accrues.
On-Site Site Evaluations	Reasonable fee, currently $1,000 per evaluation, plus costs and expenses associated with each on-site evaluation.	When billed	We are not obligated to provide any on-site site evaluations.

Type of Fee[(1)]	Amount	Due Date	Remarks
Intranet	Reasonable fee	When billed	If we develop an intranet network, we may charge you a reasonable fee for using the intranet network.
Conferences	Reasonable fee (currently, $500), plus your costs and expenses to attend	When billed	We may require you to attend our annual franchisee conference and pay a reasonable fee. You must also pay for the costs and expenses (including travel and lodging costs) for your representatives to attend our franchisee conferences.
Additional Training	At our option, a per diem rate currently ranging from $250 to $500, based on our costs of providing the training	Before additional training	You must also pay the expenses of your personnel attending training. Training will also be required for a replacement or successor Operating Principal or Lead Manager.
On-site Remedial Training	The then-current per diem fee for remedial training, plus costs; our current per diem rate is $250	When billed	If you ask or if we believe it is appropriate, we will (subject to availability) provide trained representatives to conduct on-site remedial training at your Party Center.
Transfer Fee	50% of our then-current initial franchise fee	With transfer application	There is no fee if an individual or partnership transfers rights to a corporation controlled by the same interest holders, however you must reimburse us for all costs (including attorneys' fees) associated with reviewing and processing the transfer documents.
Renewal Fee	50% of our then-current initial franchise fee	Signing of renewal franchise agreement	You must give us at least 6 months' and not more than 9 months' notice to renew and meet other renewal conditions.
Inspection and Testing	Cost of inspection, if applicable, and cost of test	When billed	Before approving a supplier, we may require you to pay the cost of testing the supplier's products and inspecting its facilities.

Type of Fee[1]	Amount	Due Date	Remarks
Indemnification	Varies according to loss	On demand	You must indemnify us when certain of your actions result in loss to us.
Audit Fee	Cost of audit	When billed	Payable if an audit shows you have understated any amount owed to us by 3% or more.
Insurance Fee	A reasonable amount based on our expenses	On demand	If you fail to maintain the required insurance, we may (but need not) obtain it for you. If we do, we will charge you a fee, plus our expenses.
Force Majeure	Minimum Fee	When billed	Payable during relocation or reconstruction of the Party Center after a force majeure event.
Enforcement Costs	Will vary	As incurred	You must pay our costs of enforcement (including attorneys' fees and costs) if you do not comply with the Franchise Agreement.

Notes:

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

(2) Gross Sales is the total selling price of all services and products and all income of every other kind and nature related to your Sugar Plum Parties Center, including, the amount of all sales transactions, delivery receipts, service income, and any other receipts that we designate periodically, whether for cash or credit, and regardless of collection in the case of credit, and whether received sales made at the Party Center or sales outside of the Party Center premises. Gross Sales excludes (i) promotional allowances or rebates paid to you in connection with your purchase of products or supplies and (ii) sales, use, merchants', or other taxes measured on the basis of the Gross Sales of your Party Center imposed by governmental authorities directly on sales or use and collected from customers, provided that the taxes are added to the selling price of your goods and services and are in fact paid by you to the appropriate governmental authorities. Cash refunded and credits given to customers will be deducted in computing Gross Sales if the amounts of such cash, credit, or receivables represent sums previously included in Gross Sales on which royalties or Brand Building Fund contributions were paid. We may periodically authorize certain other items to be excluded from Gross Sales, but we may revoke this authorization at any time. Proceeds from the sale of coupons, gift cards, gift certificates, or vouchers will not be included in Gross Sales when the coupons, gift cards, gift certificates, or vouchers are sold. Instead, the retail price of products purchased with coupons, gift cards, gift certificates, or vouchers will be included in Gross Sales during the week in which the coupon, gift card, gift certificate, or voucher is redeemed.

(3) The grand opening is held on the Thursday before the Party Center's opening weekend.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount Low - High	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee	$30,000	Lump Sum	On signing of Franchise Agreement	Us
Rent for First 3 Months (1)	$3,000 to $7,500	As Arranged	As Arranged	Landlord
Security Deposit (1)	$0 to $~~15,000~~3,000	As Arranged	As Arranged	Landlord
Leasehold Improvements (1)	$20,000 to $~~30,000~~45,000	As Arranged	As Arranged	Landlord or Contractor
Signage (2)	$2,000 to $~~5,000~~7,500	As Arranged	As Arranged	Landlord or Contractor
Furniture, Fixtures, and Equipment (2)	$7,000 to $~~10,000~~10,300	As Arranged	As Invoiced	Suppliers
Initial Training Expenses (3)	$2,000 to $4,000~~, plus employee wages (if any).~~	As Arranged	As Invoiced	Employees and Suppliers
Point of Sale and Computer Hardware and Software (4)	$~~1,800~~500 to $2,100	As Arranged	As Arranged	Suppliers
Initial Inventory/Supplies (5)	$~~12,000~~14,000 to $~~15,000~~18,000	As Arranged	Before Opening	Vendors
Professional Services (6)	$~~6,000~~2,000 to $~~10,000~~6,000	As Arranged	As Arranged	Accountants, Lawyers, Real Estate Brokers etc.
Promotional Expenses (7)	$~~2,000~~3,000 to $~~4,000~~6,000	As Arranged	As Arranged	Suppliers
Insurance (8)	$1,000 to $1,500	As Arranged	As Arranged	Insurance Broker
Additional Funds – For Initial 3-Month Period (9)	$~~7,500~~5,400 to $~~15,000~~9,000			
TOTAL(10)	$~~94,300~~89,900 to $~~149,100~~149,900			

Notes:

(1) Sugar Plum Party Centers will typically be located in commercially zoned shopping centers or in "main street" shopping districts. Due to the cost of land acquisition and new construction, we recommend that you lease the premises for your Party Center. These amounts assume that you will lease the premises for the Party Center and do not include costs of land acquisition and construction of a building. The leasehold improvements estimate is based on the cost of adapting our prototypical architectural and design plans (including professional fees for the design professional that we designate) to a facility containing approximately ~~800 to 1,000~~1000 to 1,200 square feet. The leasehold improvement ranges will be affected by various factors like the location of the Party Center and local market conditions. The estimates assume that the landlord will provide connections to adequate electrical, gas, water, and sewage service. Your actual costs may or may not include site preparation and finish-out costs, depending on the arrangements you negotiate with your landlord. If your landlord contributes to the cost of finish-out, total

leasehold improvement costs could be reduced. These costs are our best estimate based on our affiliate, TAS's, knowledge of the costs incurred to develop the Company Owned Center ~~and~~ based on information we obtained from an independent ~~third party~~third-party contractor, as well as the actual costs incurred by one franchisee during the build-out process. These estimates may vary substantially based on your ability to negotiate with your landlord and your financial strength, as well as on local commercial leasing and labor rates and other local conditions.

(2) These amounts include the cost of the furniture, fixtures, equipment, decor items, and exterior signage required for your Party Center.

(3) We provide initial training to your initial Operating Principal and Lead Manager (if applicable) at no additional charge. You must pay all expenses you or your employees incur in the initial training program, like travel, lodging, meals, and wages. Your costs will vary depending upon the number of employees trained and your selection of salary levels, lodging, and dining facilities, and the mode and distance of transportation. Your cost for wages will vary substantially depending on whether your Operating Principal receives wages and whether your Operating Principal serves as a Lead Manager or you hire separate individuals to fill those positions.

(4) This amount includes the cost of point of sale and computer hardware and software that you must use in the operation of your Party Center.

(5) We estimate that this range will cover the cost of your initial inventory of party supplies. Your costs will vary depending on various factors such as, the time of the year in which your Party Center opens, your initial sales projections, and the population density where your Party Center is located.

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

(7) You must carry out a grand opening promotion for the Party Center in compliance with our written specifications. We must approve all advertising items, methods, and media. In addition, you must spend a minimum of $20 per day advertising your Party Center in your local area utilizing Google AdWords during the two months leading up to your grand opening event. The grand opening is held on the Thursday before the opening weekend of your Party Center.

(8) This amount represents an estimate of the down payment on your annual insurance premiums. You must obtain the insurance coverage described in the Franchise Agreement. We must be named as an additional insured on these policies. Your cost of insurance may vary depending on the insurer, the location of your Party Center, your claims history, and other factors.

(9) You will need additional funds during the start-up phase of your business to pay employees, purchase supplies, and pay other expenses. We estimate the start-up phase to be 3 months from the date you open for business. These amounts do not include any estimates for debt service. You must also pay the royalty and other related fees described in Item 6 of this disclosure document. These figures are estimates, and we cannot assure you that you will not have additional expenses. Your actual costs will depend on factors like your management skills, experience, and business acumen. You should base your estimated start-up expenses on the anticipated costs in your market and consider whether you will need additional cash reserves. We relied on the information provided by the Company Owned Center to compile these estimates. You should review these figures carefully with your business advisor.

(10) We do not finance any part of your initial investment. See Item 10.

Unless otherwise stated above, these estimates are subject to increases based on changes in market conditions, our cost of providing services, and future policy changes. At the present time, we have no plans to increase payments we control. Unless otherwise stated, the amounts described above are not refundable.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases

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

System Merchandise

We have the right to make available to you for resale in the Party Center merchandise identifying the Sugar Plum Parties business. This may include Sugar Plum Parties items like T-shirts or other items bearing the Marks. If we make this type of merchandise available, we may require you to purchase it from a supplier we designate in amounts necessary to meet your customer demand.

Point of Sale System and Credit Card Processing

You must purchase the Revel Systems point of sale system software and related hardware and services and credit card processing services from a source we designate. Currently, Revel Systems is our designated supplier for the Revel Systems point of sale system, and Mercury Payment Systems is our designated supplier for credit card processing.

Interior Decor

You must purchase the interior decor/fixture package we require, all or parts of which may be required to be purchased from a designated supplier.

Copyright License Service

You are required to obtain copyright licenses from our designated supplier for the recorded music we require you to play in your Party Center.

Approved Suppliers

In addition to the above, if we have approved suppliers (including manufacturers, distributors, and other sources) for any inventory, fixtures, furnishings, or equipment, you must obtain these items from those suppliers. We will provide you the names of these suppliers in writing. Approved suppliers are those who demonstrate the ability to meet our then-current standards and specifications for inventory, fixtures, furnishings, equipment, and other items used or offered for sale at the Party Center and who possess adequate quality controls and the capacity to supply your needs promptly and reliably, whom we have approved in writing, and whom we have not later disapproved. 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 particular item. We may profit from your purchases from approved suppliers, and we and/or our affiliates may receive payments, fees, commissions, or reimbursements from such suppliers in respect of your purchases. You are ~~soley~~solely responsible for acquiring and installing all required inventory, fixtures, furnishings, and equipment.

Neither we nor our affiliates are currently approved suppliers of inventory items for our franchisees, but we may, in our sole discretion, require supplies and items to be purchased exclusively from us or our affiliates or from approved suppliers or distributors. We may derive revenue based on your purchases and leases (including from charging you for products and services that we or our affiliates provide to you and from payments made to us or our affiliates by suppliers that we designate or approve).

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

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

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

Advertising

You must participate in all advertising and sales promotion programs that we may authorize or develop for Sugar Plum Parties Center (Franchise Agreement, Section 8.A.(2)).

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

You must carry out a grand opening promotion for the Party Center in compliance with our written specifications. We must approve all grand opening advertising items, methods, and media. Currently, during the 60-day period leading up to the grand opening of your Party Center, we require you to spend a minimum of $20 per day advertising your Party Center using Google AdWords.

You must advertise and market your Party Center through the use of the Internet and other digital and ecommerce sites, applications, and services ("Internet-based Advertising") we require. Currently, we require you to spend a minimum of $20 per day advertising your Party Center using Google AdWords, and $75 per month advertising your Party Center using social media outlets including, but not limited to, Facebook and Instagram. We reserve the right to increase the amounts you must spend by the amount such providers increase their costs. You must also engage the search engine optimization (SEO) and marketing services provider we require to manage your Google AdWords accounts and pay the related costs.

~~Currently, we recommend that you spend at least 2% of your Gross Sales on local marketing, but we do not require you to do so.~~ We have established a system-wide brand building fund ("Brand Building Fund") to which all franchisees will be required to contribute a percentage of their Gross Sales on a weekly basis. Currently, we require you to contribute 0.5% of your Gross Sales to the Brand Building Fund. We may, from time to time, increase or decrease the amount you must contribute to the Brand Building Fund (Franchise Agreement, Section 8.C.). However, we will not require you to contribute more than 2% of your Gross Sales to the Brand Building Fund during the term of your Agreement. We will use the Brand Building Fund to develop, prepare, produce, and administer advertising for the System on a regional and/or national basis.

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

We administer the Brand Building Fund. We will direct all advertising programs, including the creative concepts, materials, and media used in the programs. We may use the Brand Building Fund to satisfy the costs of maintaining, administering, directing, preparing, and producing advertising. This includes the cost associated with developing, maintaining, and updating our Website, of preparing and producing television, radio, magazine, and newspaper advertising campaigns; direct mail and outdoor billboard advertising; public relations activities; endorsement costs; employing advertising agencies, including external marketing consultants; and costs of our personnel and other departmental costs for advertising that we administer or prepare internally. We are not required to make expenditures for you that are equivalent or proportionate to your Brand Building Fund contribution or to ensure that any particular franchisee benefits directly or pro rata from the placement of advertising, nor are we required to spend any amount on advertising in any particular franchisee's Protected Area. We do not contribute to the

Fund any amounts for company owned Party Centers. Currently, no portion of the Brand Building Fund is used for advertising that is principally a solicitation for the sale of franchises. However, a portion of the Brand Building Fund may be spent on the development and maintenance of our Website, which may contain information relating to franchise opportunities for Sugar Plum Parties Centers.

We anticipate that Brand Building Fund advertising will be conducted primarily through electronic or print media on a regional or national basis, and that the majority of our advertising will initially be developed in-house. We presently do not have an advertising council.

We will not use your Brand Building Fund contributions to defray any of our operating expenses, except for any reasonable administrative costs and overhead that we may incur in administering or directing the Brand Building Fund. We will prepare an annual statement of the Brand Building Fund's operations and will make it available to you if you request it from us in writing. We are not required to, and presently do not, have the Brand Building Fund statements audited. ~~No Brand Building Fund monies were collected or spent during 2015.~~

We did not collect any Brand Building Fund contributions in our 2016 fiscal year.

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

You are not required to participate in any local or regional advertising cooperatives. No franchisee advertising council exists.

Computer and Electronic Cash Register Systems

You must ~~install and~~ maintain a ~~personal computer at the Party Center~~dedicated high-speed Internet connection at your venue that is capable of running the ~~software that we require and that operates on a Microsoft Windows XP or higher operating system. You must maintain a high-speed Internet connection, and the computer must be able to transmit and receive e-mail.~~point-of-sale software provided by Revel Systems.

You must install and run the Revel Systems point-of-sale software. You must also install and maintain one point-of-sale terminal that is capable of running the software we require, which is currently Revel Systems software. The Revel Systems software is used to compile and manage Party Center sales information. You must purchase a license for this software and the related point of sale hardware from a supplier we designate. Our current designated supplier for the POS system is Revel Systems.

We estimate that the cost of the computer and point-of-sale system will be approximately $~~1,800~~500 to $2,100, depending on whether you choose to purchase or lease your Revel Systems equipment. You must enter into an end user license agreement with Revel Systems in order to use the point-of-sale system. You must pay Revel systems ~~$119 per month~~their monthly fee for unlimited software upgrades, data hosting, and technical support services~~. In addition, you~~, which is currently $119 per month. You must pay Revel ~~systems $50 per month for online ordering and scheduling capabilities for your Party Center.~~Systems an additional monthly lease fee if you choose to lease rather than purchase the equipment, which is currently approximately $139 per month. These monthly fees may increase.

Except for the technical support services provided by Revel Systems, neither we, our affiliates, nor any third parties are required to provide ongoing maintenance, repairs, upgrades, or updates to your computer system.

You must install any other hardware or software for the operation of the Party Center that we may require in the future, which may include video camera systems, including any enhancements, additions, substitutions, modifications, and upgrades. Specifically, we may require that you install and maintain systems that permit us to independently access and retrieve electronically any information stored in your computer systems or in your video camera systems, including information concerning your Party Centers

Gross Sales, at the times and in the manner that we may specify periodically. There is no contractual limitation on the frequency or cost of these obligations. We may also require you to license from us, or others we designate, any computer software we develop or acquire for use by Sugar Plum Parties Centers.

We may establish and maintain a commercial Website or an intranet or extranet system and may develop or use software and hardware to help process or support Party Center sales and information ("Web Services"), and you may be required to pay for the related development and ongoing maintenance and support costs. Currently, you must pay a designated third party $100 per month for such Web Services. We have no obligation to establish or to maintain any Web Services indefinitely, and we may dismantle or discontinue the use of any component or program at any time. We may establish policies and procedures for the use of Web Services.

Confidential Operations Manuals

After you sign the Franchise Agreement and when you begin initial training, we will provide you with access to a copy of our Manuals either in electronic and/or paper form. A copy of the table of contents of the Manuals is attached as Exhibit E. We consider the contents of the Manuals to be proprietary, and you must treat them as confidential. Our Manuals have a total of ~~265~~424 pages.

Training

Before the opening date of your Party Center, your Operating Principal and Lead Manager (if applicable) must have attended and completed to our satisfaction our initial management training program (Franchise Agreement, Section 7.N.).

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

The initial training program is administered and directed by Sarah Towne. Ms. Towne has been involved in training for Sugar Plum Parties Center since our inception in October 2015.

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 Sugar Plum Parties Centers. Initial training generally lasts approximately 6 days. The subjects covered and other information relevant to our initial training program are described below.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Party Prep/Products/Operations	~~5~~8	~~9.5~~10	Stoneham, Massachusetts / Arlington, Massachusetts
Bookings/Marketing	~~6~~4	~~0~~3	Stoneham, Massachusetts / Arlington, Massachusetts
POS	~~2.5~~3	~~9.5~~3	Stoneham, Massachusetts / Arlington, Massachusetts
Administration/Employee Management/Inventory	6	~~4~~5	Stoneham, Massachusetts / Arlington,

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
			Massachusetts
General Business/Financial	~~7~~5	~~0~~1	Stoneham, Massachusetts / Arlington, Massachusetts
Totals	~~26.5~~26	~~23~~22	

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

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

ITEM 12
TERRITORY

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

The Franchise Agreement gives you the right to operate a Sugar Plum Parties Center at a site we accept as meeting our site selection guidelines (“Location”). You must select the site for your Party Center from within the non-exclusive Designated Area identified in the Franchise Agreement.

There is no minimum area that will comprise your Designated Area. However, we will determine the Designated Area and insert it in the Franchise Agreement before you sign the Franchise Agreement. The Designated Area will exclude any existing or future Protected Area of another Sugar Plum Parties franchisee that is or may be within the Designated Area and will exclude any Reserved Area.

If you are in compliance with the Franchise Agreement and any other agreement you have with us or our affiliates, we and our affiliates will not establish or authorize anyone except you to establish a Sugar Plum Parties Center in the geographic area identified in Attachment C of the Franchise Agreement (“Protected Area”) during the term of the Franchise Agreement. The Protected Area will be at least a ~~0.1~~1 mile radius around the Location; however, the determination of the actual shape and size of your Protected Area is based on an analysis of various factors, including, population density, income level, and the number of households and businesses in the area.

Continuation of your Protected Area does not depend on the achievement of a certain sales volume, market penetration, or other contingency, but you must achieve at least $100,000 in Gross Sales during the first 18 months your Party Center is open, otherwise, we may terminate your Franchise Agreement. There are no other 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 of the Franchise Agreement. You do not receive the right to acquire additional franchises within or outside of your Protected Area unless you sign another Franchise Agreement with us.

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

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

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

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

(iii) Operate, and license others to operate, Sugar Plum Parties Centers at any location outside the Protected Area and in any Reserved Area. A "Reserved Area" includes any retail store operating under a name other than Sugar Plum Parties and in which we can, at our discretion, place a Sugar Plum Parties Center inside the store (store-in-store concept).

(iv) Within and outside the Protected Area, offer and sell, and authorize others to offer and sell, any similar or dissimilar products and services, (under the Marks or under other names or marks) through any channel or by any method of distribution (including from vending machines and kiosks and through the Internet, catalog sales, telemarketing, or other direct marketing) other than a Sugar Plum Parties Center, on any terms and conditions we deem appropriate, without compensation to you.

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

ITEM 13
TRADEMARKS

The following ~~Mark is~~Marks are registered with the U.S. Patent and Trademark Office and is owned by our affiliate, TAS. ~~All required affidavits have been filed.~~

~~MARK~~	~~REGISTER~~	~~REGISTRATION NUMBER~~	~~REGISTRATION DATE~~
~~SUGAR PLUM PARTIES (Standard characters)~~	~~Principal~~	~~4990287~~	~~June 28, 2016~~

~~TAS has filed for registration the following Marks with the U.S. Patent and Trademark Office ("USPTO").~~ TAS intends to renew the registrations and to file all appropriate affidavits at the appropriate times, as required by law.

MARK	REGISTER	~~SERIAL~~REGISTRATION NUMBER	~~FILING~~REGISTRATION DATE
SUGAR PLUM PARTIES (Standard characters)	Principal	4990287	June 28, 2016

MARK	REGISTER	~~SERIAL~~REGISTRATION NUMBER	~~FILING~~REGISTRATION DATE
~~SUGAR PLUM PARTIES~~ ~~(~~Miscellaneous Design – FAIRY (Color) 	Principal	~~86/707,572~~5074464	~~July 28~~November 1, ~~2015~~2016
SIMPLE.SWEET.MAGICAL.	Principal	~~86/891,063~~5075148	~~January 29~~November 1, 2016
FAIRY Logo (Black & White) 	Principal	5059565	October 11, 2016

There is no presently effective determination of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor any pending infringement, opposition, or cancellation proceeding, nor any pending material litigation involving any of the Marks which are relevant to their ownership, use, or licensing.
We know of no superior prior rights or infringing use that could materially affect your use of the Mark.

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

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

You must immediately notify us of any infringement of the Marks or of any challenge to the use of any of the Marks or claim by any person of any rights in any of the Marks. You and your Principals must agree not to communicate with any person other than us, any designated affiliate, and our or their counsel about any infringement, challenge, or claim. We or our affiliates have sole discretion to take any action we deem appropriate and the right to exclusively control any litigation, or USPTO (or other) proceeding, from any infringement, challenge, or claim concerning any of the Marks. You must sign all instruments

Provision	Section in franchise or other agreement	Summary
v. Choice of forum	Sections 19.G. and 19.H.	Unless contrary to applicable state law: Mediation in Boston, Massachusetts, except actions based on your failure to make payments or based on the Marks or confidential information; venue for any other proceeding is Middlesex County, Massachusetts or the federal district court for the District of Massachusetts is located (subject to state law). In addition to the provisions noted in this chart, the Franchise Agreement contains a number of provisions that may affect your legal rights, including a waiver of the right to a jury trial, a waiver of punitive or exemplary damages, and limitations on when claims may be raised. We recommend that you carefully review all of these provisions, and all of the contracts listed in Item 22, with a lawyer.
w. Choice of law	Section 19.I.	Unless contrary to applicable state law, the Franchise Agreement is to be interpreted and construed under Massachusetts law, except for Massachusetts choice of law rules (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 about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about performance at a particular location or under particular circumstances.

This financial performance representation includes ~~information relating to the~~ Gross Sales for the period from January 1, ~~2014 through December 31, 2014 ("2014 Reporting Period") and from January 1,~~ 2015 through December 31, 2015 ("2015 Reporting Period") and from January 1, 2016 through December 31, 2016 ("2016 Reporting Period") for the one Company Owned Center located in Stoneham, Massachusetts. The Company Owned Center was open for the entire ~~2014 Reporting Period and the entire~~ 2015 Reporting Period and the entire 2016 Reporting Period.

The annual Gross Sales of the Company Owned Center for the ~~2014 Reporting Period was $150,870 and was $124,728.50 in the~~ 2015 Reporting Period were $124,728 and were $137,825 for the 2016 Reporting Period.

The Gross Sales information ~~for the entire 2014 Reporting Period and~~ from January 1, ~~2014~~2015 through June 30, 2015 of the 2015 Reporting Period was provided by Sugar Plum Parties, Inc., the previous owner of the Company Owned Center. The Gross Sales information from July 1, 2015 through December 31, 2015 of the 2015 Reporting Period and for all of the 2016 Reporting Period was provided by our affiliate, TAS. This information has not been audited or otherwise verified by us.

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

You should use this information only as a reference to conduct your own analysis of the franchise opportunity in consultation with your financial, business, legal, and tax advisers.

The Gross Sales realized will vary from Party Center to Party Center and will be directly affected by many factors, such as the Party Center's size, geographic location, competition in the marketplace; the presence of other Sugar Plum Parties Centers; and the quality of management and service at the Party Center.

This financial performance representation reflects only revenue of the Company Owned Center and does not reflect any costs of sales, operating expenses, and other costs or expenses that you will incur in operating a Sugar Plum Parties Center, including the royalty fees and Brand Building Fund contributions that you must pay under the terms of the Franchise Agreement. This financial performance representation also does not include debt service or equipment lease costs that may be incurred in the operation of a Sugar Plum Parties Center. In addition, this financial performance representation does not include any information about the federal income taxes payable on any net income derived from the operation of a Sugar Plum Parties Center or state or local net income or gross profits taxes that may be applicable in the jurisdiction in which your Sugar Plum Parties Center is located.

You should conduct an independent investigation of the costs and expenses you will incur in operating your franchise business.

We have written substantiation in our possession to support the information appearing in this Item 19, and such substantiation will be made available to you on reasonable request.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Lisa Davis at ~~1090 Massachusetts~~11 Wollaston Avenue, ~~Suite 1,~~ Arlington, Massachusetts 02476; 888-679-0323, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

Systemwide Outlet Summary
For years ~~2013~~2014 to ~~2015~~2016 (1)

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	~~2013~~2014	0	0	0
	~~2014~~2015	0	0	0
	~~2015~~2016	0	0	0
Company Owned(2)	~~2013~~2014	1	1	0
	~~2014~~2015	1	1	0
	~~2015~~2016	1	1	0
Total Outlets	~~2013~~2014	1	1	0
	~~2014~~2015	1	1	0
	~~2015~~2016	1	1	0

Notes:

1. All numbers are as of our fiscal year end, which is December 31.
2. Our affiliate, TAS, has owned and operated the Company Owned Outlet since July 2015.

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years ~~2013~~2014 to ~~2015~~2016 (1)

Column 1 State	Column 2 Year	Column 3 Number of Transfers
~~All States~~	~~2013~~	~~0~~
All States	2014	0
	2015	0
~~Total~~	~~2013~~2016	0
Total	2014	0
	2015	0
	2016	0

Notes:

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

Table No. 3

Status of Franchised Outlets
For years ~~2013~~2014 to ~~2015~~2016 (1)

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Termina-tions**	**Non-Renewals**	**Reacquired by Franchisor**	**Ceased Opera-tions-Other Reasons**	**Outlets at End of the Year**
All States	~~2013~~2014	0	0	0	0	0	0	0
	~~2014~~2015	0	0	0	0	0	0	0
	~~2015~~2016	0	0	0	0	0	0	0
Totals	~~2013~~2014	0	0	0	0	0	0	0
	~~2014~~2015	0	0	0	0	0	0	0
	~~2015~~2016	0	0	0	0	0	0	0

Notes:

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

Table No. 4

Status of Company Owned Outlets
For years ~~2013~~2014 to ~~2015~~2016 (1)(2)

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Outlets Reacquired From Franchisee**	**Outlets Closed**	**Outlets Sold to Franchisee**	**Outlets at End of Year**
Massachusetts	~~2013~~2014	1	0	0	0	0	1
	~~2014~~2015	1	0	0	0	0	1
	~~2015~~2016	1	0	0	0	0	1
TOTALS (2)	~~2013~~2014	1	0	0	0	0	1

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
	~~2014~~2015	1	0	0	0	0	1
	~~2015~~2016	1	0	0	0	0	1

Notes:

1. All numbers are as of our fiscal year end, which is December 31.
2. Our affiliate, TAS, has owned and operated the Company Owned Outlet since July 2015.

Table No. 5

Projected Openings As Of December 31, ~~2015~~2016

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlet In The Next Fiscal Year	Column 4 Projected New Company Owned Outlet In the Next Fiscal Year
~~Florida~~California	~~0~~1	2	0
Massachusetts	0	~~4~~1	0
~~New Hampshire~~Nevada	0	~~2~~1	0
~~Texas~~Pennsylvania	~~0~~2	2	0
Texas	3	4	0
TOTAL	~~0~~6	10	0

The names, business addresses, and business telephone numbers of each current franchisee as of December 31, ~~2015~~2016 are listed on Exhibit C.

The name, city and state, and current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who has had a franchise agreement terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or has not communicated with us within 10 weeks of the date of issuance of this disclosure document are listed on Exhibit D.

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

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

As of December 31, ~~2015~~2016, we have no current or former franchisees who have signed provisions during the last three fiscal years restricting their ability to speak openly to you about their experience with the Sugar Plum Parties franchise system.

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

ITEM 21

FINANCIAL STATEMENTS

Attached as Exhibit A ~~is~~are our audited ~~opening balance sheet~~financial statements from October 19, 2015 (our inception) through December 31, 2015 and from January 1, 2016 through December 31, 2016.

ITEM 22

CONTRACTS

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

1. Franchise Agreement (with attachments).
2. Form of General Release (Exhibit F).

ITEM 23

RECEIPTS

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

ROBIN BROWN
& ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

SUGAR PLUM FRANCHISING, LLC

FINANCIAL STATEMENTS
(Audited)

For the Year Ended December 31, 2016 and the Period from Inception (October 19, 2015) to December 31, 2015

12850 Highway 9 Suite 600-330 • Alpharetta, GA 30004 | office: 770-932-9875 fax: 866-611-7150 | www.RobinBrownCPA.com

ROBIN BROWN
& ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Member
Sugar Plum Franchising, LLC
Arlington, MA

We have audited the accompanying balance sheets of Sugar Plum Franchising, LLC (a limited liability company) as of December 31, 2016 and 2015, and the related statements of income and member's capital, and cash flows for the year ended December 31, 2016 and period from inception (October 19, 2015) to December 31, 2015.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States 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.

Auditor's Responsibility

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

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

12850 Highway 9 Suite 600-330 • Alpharetta, GA 30004 | office: 770-932-9875 fax: 866-611-7150 | www.RobinBrownCPA.com

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sugar Plum Franchising, LLC as of December 31, 2016 and 2015, and the results of their operations and their cash flows for the year ended December 31, 2016 and period from inception (October 19, 2015) to December 31, 2015, in accordance with accounting principles generally accepted in the United States of America.

Robin Brown + Associates, LLC

ROBIN BROWN & ASSOCIATES, LLC
Certified Public Accountants
April 27, 2017

SUGAR PLUM FRANCHISING, LLC

TABLE OF CONTENTS

	PAGE NO.
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Balance Sheets	2
Statements of Income and Member's Capital	3
Statements of Cash Flows	4
Notes to Financial Statements	5-8

SUGAR PLUM FRANCHISING, LLC
BALANCE SHEETS
DECEMBER 31, 2016 AND 2015

ASSETS

		2016		2015
Cash - Note 2	$	8,857	$	34,576
Prepaid Expenses		3,798		3,004
Due from Affiliates - Note 6		25,240		-
Total Current Assets		37,895		37,580
Due from Affiliates - Note 6		-		6,724
Property and Equipment, net of accumulated depreciation of $59 - Note 2 and 3		471		-
Trademarks, net of accumulated amortization of $60 - Note 2		7,824		-
Total Other Assets		8,295		6,724
Total Assets	$	46,190	$	44,304

LIABILITIES AND MEMBER'S CAPITAL

		2016		2015
Accounts Payable	$	54,874	$	2,864
Accrued Expenses		82,996		13,183
Due to Affiliates - Note 6		-		124
Deferred Revenue - Note 2		138,000		-
Total Current Liabilities		275,870		16,171
Total Liabilities	$	275,870	$	16,171
Member's Capital - Note 4		(229,680)		28,133
Total Liabilities and Member's Capital	$	46,190	$	44,304

See Accompanying Notes and Independent Auditor's Report

SUGAR PLUM FRANCHISING, LLC
STATEMENTS OF INCOME AND MEMBER'S CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2016 AND
THE PERIOD FROM INCEPTION (OCTOBER 19, 2015)
TO DECEMBER 31, 2015

		2016		2015
Revenue				
Franchise Fees	$	-	$	-
Royalty Fees		-		-
Total Revenue		-		-
Expenses				
Selling and Marketing		259,531		3,500
General and Administrative		158,553		23,267
Depreciation		119		-
Legal and Professional Fees		134,128		15,600
Operating Expenses		552,331		42,367
Net Income (Loss) from Operations		(552,331)		(42,367)
Other Income (Expense)				
Other Income		-		-
Interest Expense		(3,982)		-
Total Other Income (Expense)		(3,982)		-
Net Income (Loss)	$	(556,313)	$	(42,367)
Member's Capital, Beginning of Period		28,133		-
Member's Contributions		298,500		70,500
Member's Distributions		-		-
Member's Capital, End of Period	$	(229,680)	$	28,133

See Accompanying Notes and Independent Auditor's Report

SUGAR PLUM FRANCHISING, LLC
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016 AND THE PERIOD FROM INCEPTION (OCTOBER 19, 2015) TO DECEMBER 31, 2015

		2016		2015
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Income (Loss)	$	(556,313)	$	(42,367)
Adjustments:				
Depreciation and amortization		119		-
(Increase) decrease in current assets		(794)		(3,004)
Increase (decrease) in accounts payable		52,010		2,864
Increase (decrease) in accrued expenses		69,813		13,183
Increase (decrease) in deferred revenue		138,000		-
Net cash used by operating activities		(297,165)		(29,324)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of fixed assets		(530)		-
Purchase of trademarks		(7,884)		-
Sale of fixed assets		-		-
Net cash used by investing activities		(8,414)		-
CASH FLOWS FROM FINANCING ACTIVITIES				
Change in due to/from affiliates		(18,640)		(6,600)
Proceeds from (repayments of) notes payable		-		-
Contributions from Member		298,500		70,500
Distributions to Member		-		-
Net cash provided by financing activities		279,860		63,900
NET INCREASE (DECREASE) IN CASH		(25,719)		34,576
CASH, BEGINNING		34,576		-
CASH, ENDING	$	8,857	$	34,576
Cash paid for Interest Expense	$	3,982	$	-
Cash paid for Income Taxes	$	-	$	-

See Accompanying Notes and Independent Auditor's Report

SUGAR PLUM FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016 AND THE PERIOD FROM INCEPTION (OCTOBER 19, 2015) TO DECEMBER 31, 2015

NOTE 1 – NATURE OF OPERATIONS

Sugar Plum Franchising, LLC (the "Company") was established on October 19, 2015 in Massachusetts as a single member limited liability company. The Company is engaged in offering and selling franchises throughout the United States for the operation of venues that host all-inclusive, interactive themed birthday parties for children.

The Company completed a uniform franchise offering circular and commenced selling franchises during 2016. As of December 31, 2016, the Company had six franchise agreements effective and no franchise stores in operation. As of December 31, 2015, the Company had no franchise agreements effective and no franchise stores in operation.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Company prepares its financial statements in accordance with generally accepted accounting principles. This basis of accounting involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Cash

Cash consists of a business checking account maintained at one financial institution. The account is insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. The Company's cash balances at December 31, 2016 and 2015 did not exceed the FDIC insurance limits.

The Company considers all cash in bank and investments in highly liquid debt instruments with maturities of three months or less to be cash equivalents.

Property and Equipment

Property and equipment are carried at cost. For financial reporting purposes, property and equipment are depreciated using the straight-line method at rates based upon the following estimated useful lives:

Computers and Equipment	3 Years
Furniture and Fixtures	7 Years

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible Assets

Intangible assets consist of trademarks. Trademark acquisition, registration and renewal fees are capitalized and amortized on a straight-line basis over the estimated useful lives of the assets. The amortization period for trademarks was 10 years as of December 31, 2016 and 2015. Trademarks are evaluated for the possibility of impairment at least annually. Intangible assets as of December 31, 2016 were $7,884 with accumulated amortization of $60. Amortization expense of intangible assets was $60 for the year ended December 31, 2016. There were no intangible assets as of December 31, 2015.

Revenue Recognition

The Company derives its income from franchise fees and royalty agreements with the franchisees' stores bearing the name Sugar Plum Parties. Initial franchise fees are recognized as deferred revenue when the franchise agreement is executed and the fee is received. Initial franchise fees are recognized as revenue when a franchise location is open as all material services and conditions related to the franchise fee have been substantially performed upon the opening. Renewal franchise fees are recognized as revenue when the franchise agreement is signed and the fee is paid since there are no material services and conditions related to the franchise fees. Deferred revenue as of December 31, 2016 and 2015 was $138,000 and $0, respectively, and is classified as a short-term liability.

Royalties from individual franchisees are based upon a percentage of each franchisee's sales and are recognized as franchise revenues as the fees are earned and become receivable from the franchisee.

Organizational Expense

The Company incurred various expenses during the formation of the Company. These expenses relate to the legal assistance in organizing franchise documents and the initial Franchise Disclosure Document.

Income Tax

The Company itself is not a taxpaying entity for purposes of federal and state income taxes. Federal and state income taxes of the Company are computed on the owner's total income from all sources; accordingly; no provision for income taxes is made in these statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising Costs

Advertising costs are expensed in the period in which they are incurred. Advertising expense for the period ended December 31, 2016 and 2015 was $52,799 and $3,500, respectively

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3 – PROPERTY AND EQUIPMENT

The following illustrates activity in the property and equipment accounts for the year ended December 31, 2016:

	Cost as of December 31, 2015	Additions	Disposals	Cost as of December 31, 2016	Accumulated Depreciation	Net Book Value
Computer and Equipment	-	530		530	59	471
Furniture and fixtures	-	-	-	-	-	-
Net property and equipment	$ -	530	-	$ 530	59	$ 471

NOTE 4 – MEMBER'S CAPITAL

The member initially contributed $70,500 cash for 100% equity and profit sharing interests in 2015. The member contributed additional cash equal to $298,500 in 2016.

NOTE 5 – FRANCHISE AGREEMENTS

As of December 31, 2016, the Company had six franchise agreements effective. As of December 31, 2015, the Company had no franchise agreements effective.

NOTE 6 – RELATED PARTIES

The Company had the following related party receivables from affiliates for expenses paid by the Company on behalf of these affiliates:

- $3,833 and $6,724 due from TAS Parties, LLC DBA Sugar Plum Parties as of December 31, 2016 and 2015, respectively
- $19,655 due from Sound Lion, Inc. as of December 31, 2016
- $1,133 due from G-Force as of December 31, 2016
- $619 due from the member as of December 31, 2016

As of December 31, 2015, the Company had a related party note payable of $124, due to Sound Lion, Inc., for expenses paid by the affiliate on behalf of the Company.

NOTE 7 - SUBSEQUENT EVENTS

In accordance with the FASB issued Accounting Standard Codification (ASC) 855-10 (formerly known as Statement of Financial Accounting Standards No. 165), subsequent events have been evaluated through April 27, 2017, the date the financial statements have been issued. No subsequent events outside of the normal scope of operations were noted through that date.

SUGAR PLUM FRANCHISING, LLC

FRANCHISE AGREEMENT

FOR

____
Name of Franchisee

____
Street Address

____
City State Zip

(______) ____________________________________
Area Code Telephone

FRANCHISED LOCATION:

____
Street Address

____
City State Zip

(______) ____________________________________
Area Code Telephone

No. ____

PARTY CENTER NO.: ____
CONTRACT DATE: ____
OPEN DATE: ____
CONTROL #: ____

Form dated ~~February 1~~April 27, ~~2016~~2017
Franchise Disclosure Document dated ~~February 1~~April 27, ~~2016~~2017

from installing or permitting to be installed on or about the Party Center premises, without Franchisor's prior written consent, any fixtures, furnishings, equipment, decor items, signs, video or other games, vending machines, or other items not previously approved as meeting Franchisor's standards and specifications, as set forth in the Manuals.

(4) To grant Franchisor and its agents the right to enter the Party Center for the purpose of conducting inspections; to cooperate with Franchisor's representatives in such inspections by rendering such assistance as they may reasonably request; and, upon notice from Franchisor or its agents and without limiting Franchisor's other rights under this Agreement, to take such steps as may be necessary to correct promptly any deficiencies detected during an inspection. Should Franchisee, for any reason, fail to correct such deficiencies, as determined by Franchisor, within 30 days, Franchisor may take any and all steps that may be necessary to promptly correct any deficiencies detected during an assessment or other inspection.

(5) To maintain a competent, courteous, conscientious, sales-oriented trained staff and to take any and all steps as are necessary to ensure that its employees preserve good customer relations and comply with any dress code Franchisor may prescribe.

H. Computer Systems.

(1) Franchisee agrees to use the Computer System that Franchisor specifies from time to time for use in the operation of the Party Center. Franchisee acknowledges that Franchisor may modify the specifications and the components of any such Computer System from time to time. As part of the Computer System, Franchisor may require Franchisee to obtain specified computer hardware and/or software, including, without limitation, a license to use Software Programs developed by Franchisor or others. Changes to the Computer System specifications may require Franchisee to incur costs to purchase, lease, and/or license new or modified computer hardware and/or software and to obtain service and support for the Computer System during the Term of this Agreement. Franchisee acknowledges that Franchisor cannot estimate the future costs of the Computer System (or additions or modifications thereto) and that the cost to Franchisee of obtaining the Computer System (including software licenses) or additions or modification thereto may not be fully amortizable over the remaining Term of this Agreement. Nonetheless, Franchisee agrees to incur such costs. Within 60 days after Franchisee receives notice from Franchisor, Franchisee agrees to obtain the components of the Computer System that Franchisor requires. Franchisee further acknowledges and agrees that Franchisor has the right to charge a reasonable systems fee for any software or systems modifications and enhancements specifically made for Franchisor that are licensed to Franchisee and other maintenance and support services that Franchisor or its affiliate may furnish to Franchisee or require Franchisee to contract with a third-party supplier of such services.

(2) Franchisee acknowledges and agrees that technology is constantly changing, and technological devices and computer systems are often discontinued. Consequently, computer systems are sometimes incompatible and are susceptible to Internet, computer system, and communication failures. By entering into this Agreement, Franchisee assume all of the risk associated with such issues and technology failures, which Franchisee acknowledges may affect its ability to order or receive products or to conduct business, and Franchisee acknowledges that Franchisor is not responsible for any damages caused by such issues or technology failures, including lost sales or profits.

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

(1) Without Franchisor's prior written approval, which Franchisor may give or withhold in Franchisor's sole discretion, Franchisee may not develop, create, generate, own, or otherwise

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

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

(3) Franchisor has an Internet website that provides information about the System and the products and services offered by Sugar Plum Parties Centers. Franchisor has sole discretion and control over the website, including timing, design, contents, and continuation. Franchisor may include on the website interior pages containing information about other Sugar Plum Parties Centers and may require Franchisee to prepare all or a portion of the page for Franchisee's Party Center, at Franchisee's expense, using a template that Franchisor provides, with all such information subject to Franchisor's approval prior to posting. Franchisor may use Brand Building Fund monies to establish and maintain the websites or require Franchisee to pay for costs associated with maintaining and designing the websites.

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

J. Customer Complaints and Crisis Management Events. Franchisee shall process and handle all consumer complaints connected with or relating to the Party Center and shall promptly notify Franchisor of all: **(i)** safety or health violations, **(ii)** claims exceeding $1,000, and **(iii)** any other material claims against or losses suffered by Franchisee. Franchisee shall maintain any communications with governmental authorities affecting the Party Center during the Term of this Agreement and for one year after the expiration or earlier termination hereof.

Upon the occurrence of a Crisis Management Event, Franchisee agrees to immediately inform Franchisor's President (or as otherwise instructed in the Manuals) of such event and to cooperate fully with Franchisor and with the appropriate authorities with respect to the investigation of the Crisis Management Event. In an effort to mitigate possible damages to the Marks and System, Franchisee must

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

M. Center Managers. Not later than 30 days before the Opening Date, Franchisee shall designate, and shall retain at all times during the Initial Term of this Agreement, the number of Center Managers necessary to direct the day-to-day operation and management of the Party Center. One of the Center Managers may, but need not, be the Operating Principal or Lead Manager; provided that any Operating Principal or Lead Manager that also serves as a Center Manager may only serve as a Center Manager for one Sugar Plum Parties Center. The Center Managers shall:

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

(2) Devote full time and best efforts to the day-to-day operation and management of the Party Center and shall not engage in any other business activity without Franchisor's prior written consent.

N. Training. Franchisee's Operating Principal and, if applicable, Lead Manager shall successfully complete Franchisor's management training program prior to the Opening Date. Any successor or replacement Operating Principal or Lead Manager shall successfully complete Franchisor's management training program within a reasonable time after such persons are designated. Such persons, and any other personnel of Franchisee whom Franchisor may designate (for purposes of brand standards compliance and communications), shall attend and complete any remedial or additional training that Franchisor may from time to time require. Such attendees may be required to pay Franchisor's then-current per diem rate for such additional training, and such rate will be based on Franchisor's cost to provide such training, plus Franchisor's travel costs if remedial training occurs at Franchisee's Party Center. Training shall be conducted at locations designated by Franchisor.

(1) Initial management training for Franchisee's Operating Principal and Lead 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. Franchisee shall be responsible for any and all expenses incurred in connection with any initial or additional training, including, without limitation, the costs of travel, lodging, meals, and wages incurred by Franchisee, its Operating Principal, or Lead Manager.

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

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

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

Q. Data Security. Franchisee acknowledges and agrees that protection of customer privacy and credit card information is necessary to protect the goodwill of businesses operating under the Marks and System. Accordingly, Franchisee agrees that it will cause the Party Center to meet or exceed, at all times, all applicable security standards developed by the Payment Card Industry Data Security Standards ("PCI DSS") council or its successor and other regulations and industry standards applicable to the protection of customer privacy and credit card information, including but not limited to the Fair and

Accurate Credit Transaction Act ("FACTA"), and all other data security requirements Franchisor prescribes. Franchisee is solely responsible for educating itself as to these regulations and standards and for achieving and maintaining applicable compliance certifications. Franchisee will defend, indemnify, and hold Franchisor harmless from and against all claims arising out of or relating to its violation of this Section 9.Q.

R. Franchisee Conferences. Franchisor may require Franchisee or Franchisee's Operating Principal to attend Franchisor's annual conference and pay to Franchisor or its designee a reasonable attendance fee. Franchisee will be responsible for all costs and travel-related expenses incurred by Franchisee's conference attendees.

8. ADVERTISING 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 programs, and online ordering/scheduling programs that Franchisor implements for all or part of the Sugar Plum Parties franchise system and shall sign the forms and take the other action that Franchisor requires in order for Franchisee to participate in such programs, including but not limited to paying the fees associated with such programs.

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

B. ~~Local~~Internet-based Advertising. ~~Franchisor recommends, but does not require, Franchisee to spend at least 2% of the Party Center's Gross Sales on local advertising throughout the Term of this Agreement.~~Franchisee must advertise and market the Party Center through the use of the Internet and other digital and e-commerce sites, applications, and services ("**Internet-based Advertising**") Franchisor requires. Upon 60 days notice to Franchisee, Franchisor may change its Internet-based Advertising requirements in its sole discretion, and Franchisee must pay all costs and expenses associated with Franchisee's Internet-based Advertising and all applicable changes.

C. Brand Building Fund. Franchisor has established a Brand Building Fund ("**Fund**") for the System. Throughout the Term of this Agreement, Franchisee must contribute up to 2% of the Party Center's Gross Sales to the Brand Building Fund. Initially, Franchisee shall contribute 1/2% of the Party Center's Gross Sales to the Brand Building Fund. Franchisor may increase Franchisee's required contribution amount from time to time in its sole discretion upon 30 days' prior notice to Franchisee; provided, however, that Franchisee will not be required to contribute more than 2% of the Party Center's Gross Sales to the Brand Building Fund. Such contributions shall be paid via EFT at the time and in the manner that royalty payments are due under Sections 4.B. and 4.D. Franchisor or its designee will administer the Fund as follows:

(1) Franchisor will direct all programs financed by the Fund, with sole discretion over the creative concepts, materials, and endorsements, and the geographic, market, and media placement and allocation thereof. Franchisee agrees that the Fund may be used to pay the costs of preparing and producing video, audio, and written advertising materials; administering national, regional, and multi-regional advertising programs, including, without limitation, purchasing direct mail and other media advertising and employing advertising, promotion, and marketing agencies; the cost of developing and maintaining an Internet website; and supporting public relations, endorsement arrangements, market research, and other advertising, promotion, and marketing activities.

19. MISCELLANEOUS

A. Notices.

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

Notices to Franchisor:	notices@sugarplumparties.com
Notices to Franchisee and Controlling Principals:	______@sugarplumparties.com and [INSERT PERSONAL EMAIL ADDRESS]

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

(2) Upon the expiration or termination of this Agreement, all notices shall be in writing and shall be personally delivered or mailed by expedited delivery service or certified or registered mail, return receipt requested, first-class postage prepaid, or sent by prepaid facsimile (provided that the sender confirms the facsimile by sending an original confirmation copy by expedited delivery service or certified or registered mail within three Business Days after transmission) to the respective parties at the addresses set forth below unless and until a different address has been designated by written notice to the other party. Any notice shall be deemed to have been given (whether or not delivery is accepted) at the time of personal delivery or, in the case of expedited delivery service on the next Business Day, or, in the case of registered or certified mail, three Business Days after the date and time of mailing, or, in the case of facsimile, upon transmission (provided confirmation is sent by expedited delivery service or registered or certified mail as provided below).

Notices to Franchisor:

Sugar Plum Franchising, LLC
~~1090 Massachusetts~~11 Wollaston Avenue~~, Suite 1~~
Arlington, Massachusetts 02476
Attention: Chief Executive Officer
Telephone: 888-679-0323

Notices to Franchisee and the Principals:

____
____
____
Attention: _________________________
Telephone: _________________________

ARISING FROM THE RELATIONSHIP BETWEEN FRANCHISOR AND FRANCHISEE WILL BE GOVERNED BY AND INTERPRETED AND CONSTRUED UNDER MASSACHUSETTS LAW (EXCEPT FOR MASSACHUSETTS CONFLICT OF LAW RULES).

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

K. **WAIVER OF PUNITIVE DAMAGES**. **EXCEPT WITH RESPECT TO FRANCHISEE'S OBLIGATION TO INDEMNIFY FRANCHISOR PURSUANT TO SECTION 15. AND CLAIMS FRANCHISOR BRINGS AGAINST FRANCHISEE FOR FRANCHISEE'S UNAUTHORIZED USE OF THE MARKS OR UNAUTHORIZED USE OR DISCLOSURE OF ANY CONFIDENTIAL INFORMATION, FRANCHISOR AND FRANCHISEE AND FRANCHISEE'S PRINCIPALS WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN FRANCHISOR AND FRANCHISEE, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.**

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

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

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

O. Headings. The captions used in connection with the sections and subsections of this Agreement are inserted only for purpose of reference. Such captions 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.

P. Survival. Any obligation of Franchisee or the Principals that contemplates performance of such obligation after termination or expiration of this Agreement or the transfer of any interest of

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

d. The obligations described in this Agreement will be tolled during any period of noncompliance.

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

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

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

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

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

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

Sugar Plum Franchising, LLC
~~1090 Massachusetts~~11 Wollaston Avenue~~, Suite 1~~
Arlington, Massachusetts 02476
Attention: Chief Executive Officer
Telephone: 888-679-0323

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

FRANCHISOR:

Sugar Plum Franchising, LLC
a Massachusetts limited liability company

By: ______________________________
Name: ___________________________
Title: ___________________________
Date: ___________________________

FRANCHISEE:

____

By: ______________________________
Name: ___________________________
Title: ___________________________
Date: ___________________________

~~COVENATOR~~COVENANTOR:

By: ______________________________
Name: ___________________________
Title: ___________________________
Date: ___________________________

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

ATTACHMENT C

SELECTED TERMS:

DESIGNATED AREA, LOCATION, PROTECTED AREA, AND OPENING DATE

1. DESIGNATED AREA:

____

2. LOCATION: The Party Center shall be located at the following address:

____

3. PROTECTED AREA: The Protected Area will be the geographic area ~~[~~within ~~**at least 0.**~~a 1-mile radius around the Location~~]~~. ~~**[Actual Protected Area to be determined**.]~~

3. OPENING DATE: The Opening Date of the Party Center is ____________, 20__.

ATTACHMENT G

LEASE ADDENDUM TERMS

(a) Landlord acknowledges that Tenant is a franchisee of Sugar Plum Franchising, LLC, a Massachusetts limited liability company ("**Franchisor**"), and that the Party Center located at the Premises ("**Unit**") is operated under the Sugar Plum Parties franchise system, pursuant to a franchise agreement ("**Franchise Agreement**") between Tenant and Franchisor.

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

(c) If Franchisor cures Tenant's default or notifies Landlord of the termination of the Franchise Agreement (which termination shall constitute a non-curable default pursuant to the Lease upon Landlord's receipt of Franchisor's notice thereof), upon Franchisor's request, Landlord will exercise its rights under the Lease to remove and evict Tenant from the Premises, and Franchisor shall have the right and option, upon written notice to Landlord, to assume the terms, covenants, obligations, and conditions of the Lease for the remainder of the term, together with any applicable renewal options. In such event, Landlord and Franchisor shall enter into an agreement to document such assumption. Franchisor 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, Franchisor as herein provided.

(d) If, at any time after the assignment contemplated in section (c), Franchisor shall notify Landlord that the franchise for the Unit is being granted to another Sugar Plum Parties franchisee, Landlord 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 Landlord's reasonable financial qualifications. Landlord shall not unreasonably withhold consent to such assignment. Thereafter, Franchisor 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.

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

(f) All notices sent pursuant to this Addendum shall be sent in the manner set forth in the Lease, and delivery of such notices shall be effective as of the times provided for in the Lease. For purposes of notice under the Lease, Franchisor's mailing address shall be, ~~1090 Massachusetts~~11 Wollaston Avenue, ~~Suite 1,~~ Arlington, Massachusetts 02476, Attention: Chief Executive Officer, which address may be changed by written notice to Landlord in the manner provided in the Lease.

AMENDMENT TO SUGAR PLUM FRANCHISING, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF CALIFORNIA

The Sugar Plum Franchising, LLC Franchise Agreement between _________________ ("Franchisee" or "you") and Sugar Plum Franchising, LLC ("Franchisor" or "us"), dated _____________, 20__ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

CALIFORNIA LAW MODIFICATIONS

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

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

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

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

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

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

FRANCHISOR:

Sugar Plum Franchising, LLC
a Massachusetts limited liability company

By: ____
Name: ____
Title: ____

FRANCHISEE:

____

By: ____
Name: ____
Title: ____

AMENDMENT TO SUGAR PLUM FRANCHISING, INC.
FRANCHISE AGREEMENT
FOR THE STATE OF NEW YORK

The Sugar Plum Franchising, LLC Franchise Agreement between ________________ ("Franchisee" or "you") and Sugar Plum Franchising, LLP ("Franchisor" or "us") dated ________________, 20___ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

NEW YORK LAW MODIFICATIONS

1. The New York Department of Law requires that certain provisions contained in franchise documents be amended to be consistent with New York law, including the General Business Law, Article 33, Sections 680 through 695. To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

   a. If the Franchisee is required in the Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the General Business Law, regulation, rule or order under the Law, such release shall exclude claims arising under the New York General Business Law, Article 33, Section 680 through 695 and the regulations promulgated thereunder, and such acknowledgments shall be void. It is the intent of this provision that non-waiver provisions of Sections 687.4 and 687.5 of the General Business Law be satisfied.

   b. If the Agreement requires that it be governed by the law of a state, other than the State of New York, the choice of law provision shall not be considered to waive any rights conferred upon the Franchisee under the New York General Business Law, Article 33, Sections 680 through 695.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the New York General Business Law, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

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

FRANCHISOR:

Sugar Plum Franchising, LLC
a Massachusetts limited liability company

By: ____
Name: ____
Title: ____

FRANCHISEE:

____

By: ____
Name: ____
Title: ____

EXHIBIT C

LIST OF FRANCHISEES

~~AMENDMENT TO SUGAR PLUM FRANCHISING, LLC FRANCHISE AGREEMENT~~
~~FOR THE STATE~~LIST OF ~~CALIFORNIA~~FRANCHISEES
AS OF DECEMBER 31, 2016

~~The Sugar Plum Franchising, LLC~~*Franchise Agreement ~~between __________________ ("Franchisee" or "you") and Sugar Plum Franchising, LLC ("Franchisor" or "us"), dated _____________, 20__ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):~~signed, but Party Center not open as of December 31, 2016

California

Party Center #006*
Zaid A. Al-Awad
Irvine, California
310-666-0657

Pennsylvania

Party Center #003*
Emanuel T. Graves & Ian W. Haywood
Pittsburgh, Pennsylvania
215-908-7428

Party Center #004*
Emanuel T. Graves & Ian W. Haywood
Philadelphia, Pennsylvania
215-908-7428

Texas

Party Center #002*
Master Party Planners
(Brenda Valbuena)
Humble, Texas
904-343-9204

Party Center #005*
R & R Factor, Inc.
(Marjorie R. Martin)
Corpus Christi, Texas
361-548-3773

Party Center #007*
Melhem Enterprises, LLC*
(Bonnie Melhem & Sam Melhem)
Austin, Texas
512-983-2817

~~CALIFORNIA LAW MODIFICATIONS~~

~~1. The California Department of Business Oversight requires that certain provisions contained in franchise documents be amended to be consistent with California law, including the California Franchise Investment Law, CAL. CORP. CODE Section 31000 et seq., and the California Franchise Relations Act, CAL. BUS. & PROF. CODE Section 20000 et seq. To the extent that the~~

~~Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:~~

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

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

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

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

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

~~**FRANCHISOR:**~~
~~Sugar Plum Franchising, LLC~~
~~a Massachusetts limited liability company~~
~~By:~~ ______________________________
~~Name:~~ ______________________________
~~Title:~~ ______________________________

~~**FRANCHISEE:**~~
____
~~By:~~ ______________________________
~~Name:~~ ______________________________
~~Title:~~ ______________________________

~~**AMENDMENT TO SUGAR PLUM FRANCHISING, INC. FRANCHISE AGREEMENT FOR THE STATE OF NEW YORK**~~

~~The Sugar Plum Franchising, LLC Franchise Agreement between __________________ ("Franchisee" or "you") and Sugar Plum Franchising, LLP ("Franchisor" or "us") dated _________________, 20___ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):~~

~~NEW YORK LAW MODIFICATIONS~~

~~1. The New York Department of Law requires that certain provisions contained in franchise documents be amended to be consistent with New York law, including the General Business Law, Article 33, Sections 680 through 695. To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:~~

~~a. If the Franchisee is required in the Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the General Business Law, regulation, rule or order under the Law, such release shall exclude claims arising under the New York General Business Law, Article 33, Section 680 through 695 and the regulations promulgated thereunder, and such acknowledgments shall be void. It is the intent of this provision that non-waiver provisions of Sections 687.4 and 687.5 of the General Business Law be satisfied.~~

~~b. If the Agreement requires that it be governed by the law of a state, other than the State of New York, the choice of law provision shall not be considered to waive any rights conferred upon the Franchisee under the New York General Business Law, Article 33, Sections 680 through 695.~~

~~2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the New York General Business Law, with respect to each such provision, are met independent of this~~

~~Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.~~

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

~~**FRANCHISOR:**~~

~~Sugar Plum Franchising, LLC~~

~~a Massa~~~~chusetts limited liability company~~

~~By: ______________~~

~~Name: ____~~

~~Title:~~ ~~Title:~~____

~~FRANCHISEE:~~

~~By:~~

~~Name:~~

~~EXHIBIT C~~

~~LIST OF FRANCHISEES~~

~~**LIST OF FRANCHISEES AS OF DECEMBER 31, 2015**~~

~~None.~~

LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM
AS OF DECEMBER 31, ~~2015~~2016

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

None.

Sugar Plum Parties Operations Manual
Table of Contents

Section 1 – Once Upon a Time (Intro) …………………………………………… ~~10~~11 pages

- Section Overview
- Welcome to the Party!
- Sugar Plum Parties Fairytale
- Disclaimer
- ~~Purpose~~
- Glossary

Section 2 – Managing the Sugar Plum Fairies (People) ………………………… ~~50~~44 pages

- Once Upon a Time
- ~~Find~~Finding your Fairies
- ~~Interview~~Interviewing your Fairies
- ~~Hire~~Hiring your Fairies
- ~~Train~~Training your Fairies
- ~~Manage~~Supervising your Fairies

Section 3 – ~~Booking the Soirees~~The Treasure (Financial) …………………………………………………~~……~~ ~~35~~. 17 pages

- Once Upon a Time
- Managing your Gold Doubloons
- ~~Invitations to the~~ Party Goals and Tracking

Section 4 – Become the Talk of the Town (Marketing) …..……………………… 32 pages

- ~~RSVP's to the Party~~Once Upon a Time
- ~~Keep the Party Going~~
- The Sugar Plum Fairytale Universe – Branding Standards
- Invitations to the Party – Customer Acquisition
- Keep the Party Going – PR and Media Relations
- FDD Requirements for Marketing
- Google Ad Words
- Email Policy and Vendors
- Social Media ~~Guidelines~~

Section ~~4~~5 – Party Prep (Back of House Ops) …………………..………………~~……………………… 60~~. 112 pages

- Once Upon a Time
- RSVP's to the Party – Booking software, phone calls
- Party Ingredients – Pre-party tasks: invites, shopping, etc.
- Planning the Party – Setting up the Venue
- ~~Step by Step Recipes~~
- Table Settings
- Costumes ~~and Decor~~
- Employee Apparel

Section ~~5~~6 – Party Time! (Front of House Ops) ……………………………………~~…………………… 55~~ 158 pages

- Once Upon a Time
- Dotting the "I's" and crossing the "T's" – The Final Prep
- POS – Revel Systems
- ~~In case of Evil Queens~~Step by Step Recipes

~~Section 6 – Make your Guests Feel Welcome …………………… 35 pages~~

- ~~Once Upon a Time~~Professionalism
- Sell the Fairytale – Customer Relations
- ~~Professionalism~~
- Interacting with Children
- The Sugar Plum Way
- Disgruntled Guest Care – Turning Evil Queens into Beautiful Princesses

Section 7 – ~~The Treasure~~Dresses that Twirl, Trinkets, and More! (Inventory) ……………………~~…………………………… 20~~. 47 pages

- Once Upon a Time
- ~~Managing your Gold Doubloons~~Preferred Suppliers
- Types of Inventory
- Initial Inventory Orders
- How Much and How Often to Order
- Revel Dashboard Process for Inventory
- Monthly Physical Inventory Counts
- ~~Party Goals and Tracking~~Making Adjustments

ITEM 23
RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Sugar Plum Parties Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Applicable state laws in (a) Connecticut and Michigan require us to provide you the disclosure document at least 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, (b) ~~Maine, ~~New York~~, and Rhode Island require~~ requires us to provide you the disclosure document at the earlier of the first personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, and (c) Iowa ~~requires~~and Maine require us to provide you the disclosure document at the earlier of the first personal meeting or 14 days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If Sugar Plum Parties Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency (as listed in Attachment A to this disclosure document).

The name, principal business address, and telephone number of each franchise seller offering the franchise follow:

Name	Principal Business Address	Telephone Number
Todd Giatrelis	11 Wollaston Avenue ~~1090 Massachusetts Avenue, Suite 1,~~ Arlington, Massachusetts 02476	888-679-0323
Sarah Towne	11 Wollaston Avenue ~~1090 Massachusetts Avenue, Suite 1,~~ Arlington, Massachusetts 02476	888-679-0323
Ashley Shimabukuro	~~1090~~11 Wollaston Avenue Arlington Massachusetts ~~Avenue, Suite 1,~~ ~~Arlington, Massachusetts~~ 02476	888-679-0323

Issuance Date: ~~February 1~~April 27, ~~2016~~2017

I received a disclosure document dated ~~February 1~~April 27, ~~2016~~2017. The disclosure document included the following Exhibits and Attachments:

Exhibit A	Financial Statements
Exhibit B	Franchise Agreement, including attachments and state-specific addenda
Exhibit C	List of Franchised Party Centers
Exhibit D	Franchisees Who Have Left the System
Exhibit E	Manual Table of Contents
Exhibit F	Form of General Release
Attachment A	List of State Administrators
Attachment B	Agents for Service of Process
Attachment C	State Specific Addenda to Franchise Disclosure Document

Dated: ______________________

____
Individually and as an Officer of the company designated below or a company to be formed and designated below on formation

____
Printed Name

of ____
(a _________________________ Corporation)
(a _________________________ Partnership)
(a _________________________ Limited Liability Company)

~~**[Keep this page for your records]**~~

(Keep this page for your records.)

ITEM 23
RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Sugar Plum Parties Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Applicable state laws in (a) Connecticut and Michigan require us to provide you the disclosure document at least 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, (b) ~~Maine,~~ New York~~, and Rhode Island require~~ requires us to provide you the disclosure document at the earlier of the first personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, and (c) Iowa ~~requires~~and Maine require us to provide you the disclosure document at the earlier of the first personal meeting or 14 days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If Sugar Plum Parties Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency (as listed in Attachment A to this disclosure document).

The name, principal business address, and telephone number of each franchise seller offering the franchise follow:

Name	Principal Business Address	Telephone Number
Todd Giatrelis	11 Wollaston Avenue ~~1090 Massachusetts Avenue, Suite 1,~~ Arlington, Massachusetts 02476	888-679-0323
Sarah Towne	11 Wollaston Avenue ~~1090 Massachusetts Avenue, Suite 1,~~ Arlington, Massachusetts 02476	888-679-0323
Ashley Shimabukuro	~~1090~~11 Wollaston Avenue Arlington Massachusetts ~~Avenue, Suite 1, Arlington, Massachusetts~~ 02476	888-679-0323

Issuance Date: ~~February 1~~April 27, ~~2016~~2017

I received a disclosure document dated ~~February 1~~April 27, ~~2016~~2017. The disclosure document included the following Exhibits and Attachments:

Exhibit A	Financial Statements
Exhibit B	Franchise Agreement, including attachments and state-specific addenda
Exhibit C	List of Franchised Party Centers
Exhibit D	Franchisees Who Have Left the System
Exhibit E	Manual Table of Contents
Exhibit F	Form of General Release
Attachment A	List of State Administrators
Attachment B	Agents for Service of Process
Attachment C	State Specific Addenda to Franchise Disclosure Document

Dated: ______________________ ______________________________________
Individually and as an Officer of the company designated below or a company to be formed and designated below on formation

____
Printed Name

of ______________________________________
(a ______________________ Corporation)
(a ______________________ Partnership)
(a ______________________ Limited Liability Company)

~~[~~(Sign and ~~Return~~return this page~~]~~.)