SWEET PARIS

crêperie & café

FRANCHISE DISCLOSURE DOCUMENT

INCLUDING

FRANCHISE AGREEMENT

AND

AREA DEVELOPMENT AGREEMENT

SWEET PARIS FRANCHISE, LLC

FRANCHISE DISCLOSURE DOCUMENT

Sweet Paris Franchise, LLC
A Texas Limited Liability Company
4400 Post Oak Parkway, Suite 2250
Houston, Texas 77027
(713) 266-2219
info@sweetparis.com
www.sweetparis.com

As a franchisee, you will operate a crêperie & café featuring crêpes, waffles, coffees, and other specialty menu items under the name "Sweet Paris."

The total investment necessary to begin operation of a franchised Sweet Paris business ranges from $753,600 to $990,600. This includes $55,000 to $63,300 that must be paid to the franchisor or an affiliate. We may offer to enter into a development agreement, under which you will pay us a development rights fee equal to 50% of the initial franchise fee due for each Sweet Paris franchise you are granted the right to develop.

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 Scott Haehnel, Sweet Paris Franchise, LLC, 4400 Post Oak Parkway, Suite 2250, Houston, Texas 77027, (713) 234-6855, scott@sweetparis.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 document to an advisor, like a lawyer or an accountant.

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

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

Issuance date: April 29, 2021

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

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

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

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

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Item 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor

The franchisor is Sweet Paris Franchise, LLC. For ease of reference Sweet Paris Franchise, LLC will be referred to as "Sweet Paris," "we" or "us" in this Disclosure Document.

We are a Texas limited liability company organized on September 1, 2015. Except as discussed below, we do not have any predecessors. Our, and our affiliates, principal business address is 4400 Post Oak Parkway, Suite 2250, Houston, Texas 77027.

We began franchising Sweet Paris Crêperie & Cafés (each a "Sweet Paris Crêperie") as of January 1, 2017. We have not owned or operated a business of the type being franchised, although we have affiliates that do, as described below.

Our agent for service of process is Ivette Escobar. Her principal business address is 4400 Post Oak Parkway, Suite 2250, Houston, Texas 77027. If we have an agent for service of process in your state, we disclose that agent in Exhibit A.

Parents, Predecessors, and Affiliates

We have no parents or predecessors to be disclosed in this Item.

Our affiliate, Vaquero Foodie, LLC (a Texas limited liability company organized on April 11, 2011), owns and operates the original Sweet Paris Crêperie located at 2420 Rice Boulevard, Houston, Texas 77005, which opened May 2012.

Our affiliate, Sweet Paris CityCentre LLC (a Texas limited liability company organized on February 10, 2014), owns and operates a Sweet Paris Crêperie located at 797 Sorella Court, Houston, Texas 77024, which opened January 2015.

Our affiliate, Sweet Paris College Station, LLC (a Texas limited liability company organized on May 8, 2017), owns and operates a Sweet Paris Crêperie located at 143 Century Square Dr, Suite 110, College Station, TX 77840, which opened July 13, 2018.

Our affiliate, Sweet Paris Drexel LLC (a Texas limited liability company organized on November 1, 2017), owns and operates a Sweet Paris Crêperie located at 2701 Drexel Dr., Houston, TX 77027, which opened on December 8, 2018.

In addition, our concept has been licensed to Vidanta Resorts for the operation of a Sweet Paris Crêperie in Acapulco, Mexico and Nuevo Vallarta, Nayarit, Mexico.

Our affiliate, Inverchavez Holding LLC, a Texas limited liability company formed April 9, 2015, owns the Marks (as described below) and the proprietary information associated with the Sweet Paris Crêperie concept. This affiliate has licensed the Sweet Paris Marks and

proprietary information to us so that we may sublicense them to our franchisees. See Item 13 for additional details.

Neither we nor our affiliates have offered franchises in any other line of business or engage in any business activities other than those described in this Disclosure Document.

The Franchise Offered

We are in the business of franchising Sweet Paris Crêperies. Each Sweet Paris Crêperie is established and operated using the format and system we developed (the "System"), and operate at retail locations displaying our interior and exterior trade dress. Sweet Paris Crêperies feature and operate under the Marks (as described below), and offer crêpes, waffles, coffees, and other specialty menu items. Each Sweet Paris Crêperie will offer dine-in and carry-out services. You may offer catering or off-Premises services only upon our consent, and you must conduct such services only in accordance with the requirements of the Franchise Agreement and the procedures and policies set forth in the Operations Manual, and only in geographical areas that we designate. We currently require that you operate the Crêperie in accordance with our standards, policies and procedures for a period of 6 months prior to requesting our consent to operate a catering service or off-Premises business, provided this requirement is subject to modification. Each Sweet Paris Crêperie is operated using our proprietary recipes, formulae and techniques, as well as a variety of non-proprietary food, beverage, and other compatible items that we designate from time to time. All items offered for sale at a Sweet Paris Crêperie are subject to our approval.

Sweet Paris Crêperies are characterized by our System. Some of the features of our System include (a) recipes, standards and specifications for products, equipment, materials, and supplies; (b) uniform standards, specifications, and procedures for operations; (c) training and operational assistance; and (d) marketing and promotional programs. We may periodically change and improve the System.

You must operate your Sweet Paris Crêperie in accordance with our standards and procedures, as set out in our Confidential Operations Manual (collectively the "Operations Manual"). We will lend you a copy of the Operations Manual for the duration of the Franchise Agreement (or, at our option, we may make these available to you electronically). In addition, we will grant you the right to use certain marks, including the mark "Sweet Paris" and any other trade names and marks that we designate in writing for use with the System (the "Mark**s**"). We may modify the Marks or substitute new Marks. See Items 13 and 14 for additional information regarding the Marks and the Operations Manual.

Franchise Agreement

We offer to enter into franchise agreements (the "Franchise Agreement") (included as Exhibit B to this Disclosure Document) with qualified legal entities and persons ("you") that wish to establish and operate Sweet Paris Crêperies. (In this Disclosure Document, "you" means the person or legal entity with whom we enter into an agreement. The term "you" also refers to the direct and indirect owners of a corporation, partnership, or limited liability company that signs a Franchise Agreement as the "franchisee".) If you are a corporation, partnership or

limited liability company or if the franchise agreement is assigned to a corporation, partnership or limited liability company, your principal owners will have to guarantee and be bound by the terms of the franchise agreement (*See* Principal Owner's Guaranty attached to the Franchise Agreement as Exhibit A).

Under a Franchise Agreement, we will grant you the right (and you will accept the obligation) to operate a Sweet Paris Crêperie at an agreed-upon specified location. In this Disclosure Document the term "Crêperie" means the Sweet Paris Crêperie franchised to you under the Franchise Agreement.

Area Development Agreement

We may also offer to enter into an area development agreement (the "Area Development Agreement") (included as Exhibit C to this Disclosure Document) with qualified legal entities and persons (a "Developer"), which grants the right to establish and operate a specified number of Sweet Paris Crêperies in a specified area (the "Development Area") at specific locations that must be approved by us, each under a separate Franchise Agreement.

Developers must open each Sweet Paris Crêperie in accordance with an agreed upon opening schedule (the "Development Schedule"). The Development Schedule will be set forth in Exhibit B of the Area Development Agreement. The Developer exercises its right to open Sweet Paris Crêperies by entering into a separate Franchise Agreement for each business opened.

Competition

The market for restaurants and cafés, and specifically crêperies, is well-established. You will need to compete with a variety of restaurant concepts. The restaurant business is highly competitive concerning price, service, restaurant location, and food quality, and is often affected by changes in consumer tastes, economic conditions, population and traffic patterns. We compete within each market with locally-owned restaurants, as well as with national and regional restaurant chains. There is also active competition for management personnel as well as for attractive commercial real estate sites suitable for restaurants.

Industry Specific Regulations

You must comply with all local, state and federal laws that apply to your Sweet Paris Crêperie, including health, sanitation, no smoking, EEOC, OSHA, discrimination, employment, and sexual harassment laws. The Americans with Disabilities Act of 1990 requires readily accessible accommodations for disabled people and may affect your building construction, site design, entrance ramps, doors, seating, bathrooms, drinking facilities, etc. You must also obtain real estate permits, licenses and operational licenses. There may be other laws applicable to your business and we urge you to make further inquiries about these laws.

Among the other licenses and permits you may need are: Zoning or Land Use Approvals, Sunday Sale Permits, Sales and Use Tax Permits, Special Tax Stamps, Fire Department Permits, Food Establishment Permits, Health Permits, Food Handler's Permit, Alarm Permits, County Occupational Permits, Retail Sales Licenses, Wastewater Discharge Permits. There may be

other laws, rules or regulations which affect your Sweet Paris Crêperie, including point-of-sale disclosure regarding nutrition and dietary characteristics (e.g., calories, fat content, etc.) of the food served at your Sweet Paris Crêperie, laws concerning the protection of customers' credit card numbers and financial data, minimum wage and labor laws along with ADA, OSHA and EPA considerations, as well as The Affordable Care Act.

You will be required to obtain all necessary and applicable alcoholic beverage permitting and licensing to offer beer, wine and spirits for sale and consumption at your Sweet Paris Crêperie. You are responsible for complying with any federal, state, county, municipal, or other local laws and regulations relating to the sale and/or consumption of alcohol and liquor that may apply to your Sweet Paris Crêperie.

The U.S. Food and Drug Administration, the U.S. Department of Agriculture and state and local health departments administer and enforce regulations that govern food preparation and service and restaurant sanitary conditions. State and local agencies inspect stores to ensure that they comply with these laws and regulations.

The federal Clean Air Act and various state laws require certain state and local areas to meet national air quality standards limiting emissions of ozone, carbon monoxide and particulate matters, including caps on emissions from commercial food preparation. Some state and local governments have also adopted, or are considering proposals, that would regulate indoor air quality, including the limitation of smoking tobacco products in public places such as restaurants.

We are not obligated to provide you with guidance about these laws and regulations and you are solely responsible for knowing about and complying with all laws and regulations applicable to your Sweet Paris Crêperie. We recommend that you consult with your attorney for an understanding of these laws.

The United States enacted the "Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001" (the "USA Patriot Act"). We are required to comply with the USA Patriot Act. To help us comply with the USA Patriot Act, we ask you in the Franchise Agreement to confirm for us that neither you nor your directors, officers, shareholders, partners, members, employees, or agents are suspected terrorists or persons associated with suspected terrorists or are under investigation by the U.S. government for criminal activity. You may review the Patriot Act and related regulations at: http://www.treasury.gov/offices/enforcement/ofac/sdn.

Item 2

BUSINESS EXPERIENCE

Ivan Chavez: Founder and Manager

Mr. Chavez has been our Manager since our formation and is the founder of the Sweet Paris Crêperie concept in Houston, Texas. He has also been the managing principal of each of

our affiliates described in Item 1 since each affiliate's formation in Houston, Texas. Mr. Chavez handles all areas of operations of us and our affiliates.

Allison Chavez: Manager

Ms. Chavez has been our Manager since our formation in Houston, Texas. She has acted in the same capacity for our affiliates described in Item 1 from February 2014 to the present in Houston, Texas.

Ivette Escobar: Chief Development Officer / Owner Representative

Ms. Escobar has been our Chief Development Officer / Owner Representative since our formation in Houston, Texas. She has acted in the same capacities for our affiliates described in Item 1 from July 2012 to the present in Houston, Texas.

Scott Haehnel: Director of Strategic Partnerships

Mr. Haehnel has been our Director of Strategic Partnerships since May 2020 in Houston, Texas. From February 2019 to March 2020 he was Director of Franchise Development for Mooyah Franchising LLC in Plano, Texas. From November 2013 to July 2018 Mr. Haehnel was the V.P. of Business Development for Eskimo Hut Worldwide LLC in Houston, Texas. From May 2004 to September 2016 he was the Director of Franchise Development for Firehouse Subs in the Dallas/Fort Worth, Texas area.

Jonathan Youmans: Regional Manager, Corporate Trainer and Operations Director

Mr. Youmans has worked for our affiliates in Sweet Paris restaurant operations since August 2018, and has been our Regional Manager since April 2019 in Houston, Texas. From August 2012 to August 2018 he was a regional trainer for Zoe's Kitchen concepts in Houston, Texas. From January 2010 to August 2018 Mr. Youmans was a corporate trainer for Landry's Restaurants in Houston, Texas.

Corey Campero: Corporate Trainer

Mr. Campero has worked for our affiliates in Sweet Paris restaurant operations since August 2015 in Houston, Texas, including as the General Manager of the Sweet Paris College Station location. He has been our Corporate Trainer since October 2019 in Houston, Texas.

Item 3

LITIGATION

No litigation is required to be disclosed in this Item.

Item 4

BANKRUPTCY

No additional bankruptcy is required to be disclosed in this Item.

Item 5

INITIAL FEES

Franchise Agreement

You must pay us an initial franchise fee in a lump sum when you sign the Franchise Agreement. Our standard initial franchise fee is currently $45,000. The initial franchise fee is fully earned when paid and is not refundable under any circumstances.

Area Development Agreement

If you sign a Development Agreement with us, you will pay us a development rights fee in an amount equal to fifty percent (50%) of the initial franchise fee due for each Crêperie for which you are granted the right to develop and open. You will pay us the development rights fee when you sign the Area Development Agreement with us. The development rights fee is fully earned upon execution of the Area Development Agreement and is not refundable under any circumstances.

Other Initial Fees

We will consult with our architect of choice for the purpose of designing the floorplan, kitchen layout and exterior elevations for the Premises of the Creperie, for which services the architect will charge and invoice us and we will then pass through this expense to you, which expense you shall pay us immediately upon demand, provided we reserve the right to have the architect charge and invoice you directly for such services. You agree to provide us with appropriate plans and/or "as built drawings" of the Premises for such purpose. We will derive no revenue as a result of passing through this expense to you. The current estimate for this expense is $10,000 to $18,300, but will vary and may exceed such estimate, and is subject to change. This amount is included in the estimated architect and engineering fees shown in Item 7. See Item 7, 8 and 11 for more information on costs and the design and construction plan process.

Except for the above, currently there are no products, services or items required to be purchased from us or our affiliates prior to opening, although we may designate ourselves as an exclusive supplier of any product or item at any time. See Item 8 for more information.

Deferred Fees

For the purposes of franchises granted in California, you need not pay the initial franchise fee until all of our material pre-opening obligations to you have been met.

Item 6

OTHER FEES

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Royalty Fee	5% of Gross Sales of your Crêperie.	By the third business day after the close of each week based on the Gross Sales for that week.	"Gross Sales" means all revenue related to the Crêperie (excluding customer refunds and sales taxes collected and remitted to the proper authorities).
Marketing Fund Contribution	1% of Gross Sales.	Same time as royalty fees.	We can increase or decrease the amount of the contribution. However, at no time will your contribution exceed 2% of gross sales.
Local Advertising	2% of Gross Sales.	Must be spent monthly.	Any amount that you are required to contribute to us toward the marketing fund in excess of 1% of Gross Sales will count toward your local advertising expenditure obligations. All materials must be submitted to us for our prior written approval.
Local and Regional Advertising Cooperatives	0% to 2% of Gross Sales.	As required by the cooperative.	Any contributions will count toward your local advertising expenditure obligations (see above).
Late Payments	Highest applicable legal rate for open account business or if there is no maximum, 1.5% per month.	From the date payments are due.	Charged on any late payments of royalty fees, marketing fund contributions, amounts due for product purchases or any other amounts due us or our affiliates.

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Opening Assistance Rescheduling Fee	$500.	Upon demand.	We provide you with 1 or more representatives from our staff for up to 21 days at the Crêperie to assist you in the opening of the Crêperie. In the event you reschedule the opening of the Crêperie after we have scheduled our representative(s) to assist you with the opening, you agree to pay us a rescheduling fee equal to $500.
Additional Opening Assistance	$500 each extra day of assistance, and our per-diem charges, which are currently: travel costs, rental cars, lodging expenses, $150 per day per trainer and $30 per day per trainer for meals.	Upon demand.	In the event we extend the 21 days of opening assistance as a result of you not being satisfactorily prepared to open the Crêperie (as we determined in our sole discretion) or upon your request, you must pay us this fee, per diem charges and expenses.
Additional on-site training and assistance	Our per-diem charge (which is currently $500.00, plus our out-of-pocket costs), per trainer.	Upon demand.	If we determine, in our sole discretion, that your management team is in need of additional on-site supervision or supplemental training, we may require that you receive such training from us at the Crêperie, in which case you agree to pay for all expenses for that training or assistance, including any reasonable per diem charges assessed by us and travel and living expenses for our personnel.

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Charges for "mystery shopper" quality control program	Your allocable share of the expenses we incur or our authorized representatives incur in administering and conducting the mystery shopper programs.	Upon demand, if incurred.	We may, from time to time, conduct or cause to be conducted mystery shopper programs to determine customer satisfaction with Sweet Paris Crêperies.
Product/ Supplier Testing	Varies – the costs of testing and evaluation.	Upon demand, if incurred.	We have the right to inspect the proposed supplier's facilities, and to require product samples from the proposed supplier to be delivered at our option either directly to us or to any independent, certified laboratory which we designate for testing. Either you or the proposed supplier must pay us a fee (not to exceed the reasonable cost of the inspection and the actual cost of the test) to make the evaluation.
Audit Expenses	Cost of audit and inspection plus any reasonable accounting and legal expenses.	Upon receipt of invoice.	Payable if 2% or more discrepancy in amounts owed or if you fail to submit required reports.
Transfer Fee	50% of then current initial franchise fee for a Sweet Paris Crêperie franchise.	At the time of transfer.	Applies to a transfer of the Franchise Agreement, the Crêperie or a controlling interest in the franchise.

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Renewal Fee	25% of then current initial franchise fee for a Sweet Paris Crêperie franchise.	At the time of transfer.	The initial term of the Franchise Agreement is 10 years, which you may renew for 3 additional terms of 5 years each, and for each renewal you must pay us this renewal fee.
Relocation Fee	25% of then current initial franchise fee for a Sweet Paris Crêperie franchise.	On or before the Crêperie re-opens for business.	Applies in the event the Crêperie is destroyed or rendered unusable by fire or other casualty, and we grant permission for the Crêperie to be repaired, restored or reconstructed at the original premises or any other agreed upon location.
Management Fee	Will vary under circumstances.	As incurred.	If the Crêperie is not being managed properly in our reasonable judgment after the death or permanent disability of you or a Principal Owner or in the instance of a default of any obligation under the Franchise Agreement, we shall have the right, but not the obligation, to manage the Crêperie, and we shall have the right to charge a reasonable fee for such management services.
Costs and Attorney's fees	Will vary under circumstances.	As incurred.	Payable to us if we have to take action to enforce the provisions of the Franchise Agreement, in defending our actions related to the Franchise Agreement or resulting from your breach of the Franchise Agreement.
Insurance Procurement	Our cost to obtain insurance coverage if you fail to do	Upon demand.	We have the right (but not obligation) to buy insurance coverage if you do not do so.

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
	so.		
Indemnification	Will vary under circumstances.	As incurred.	You must indemnify, defend and hold us harmless and reimburse us for any damages arising out of the operation of your Crêperie.

Except as noted, all fees are uniform and are imposed by and payable to us or our affiliates. All fees are non-refundable. We may require that you participate in an electronic funds transfer program by which payments due us are paid or directed electronically from your bank.

Item 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

The following table describes the estimated initial investment for a single Sweet Paris Crêperie of typical size under the Franchise Agreement. We have not included a separate table for the initial investment if you sign an Area Development Agreement. As described in Item 5, upon execution of an Area Development Agreement you must pay us an amount equal to 50% of the initial franchise fee due for each Sweet Paris Crêperie for which you are granted the right to develop and open. You will pay us the development rights fee when you sign the Area Development Agreement with us. Other than the development rights fee, the following estimated initial investment expenditures will apply, subject to potential increases over time and other changes in circumstances. If you sign an Area Development Agreement, your professional fees, such as in the category of legal and financial, may be higher and cannot be predicted by us.

Column 1 Type of expenditure (Note 1)	Column 2 Amount	Column 3 Method of payment	Column 4 When due	Column 5 To whom payment is to be made
Initial Franchise Fee (Note 2)	$45,000	Lump Sum	Upon signing your Franchise Agreement	Us
Trade Area and/or Site Analysis Report (Note 3)	$1,000 to $1,500	Lump Sum	As incurred before opening	Contractors/ Vendors
Lease (first month's rent), Utility & Security Deposits (Note 4)	$15,000 to $33,000	Lump Sum	As incurred before opening	Landlord

Column 1 Type of expenditure (Note 1)	Column 2 Amount	Column 3 Method of payment	Column 4 When due	Column 5 To whom payment is to be made
Crêperie Licenses and Permits (Note 5)	$2,600 to $4,000	Lump Sum	As incurred before opening	Contractors/ Vendors
Architect/Engineering Fees (Note 6)	$18,000 to $25,000	Lump Sum	As incurred before opening	Us/Architect/ Engineer
Leasehold Improvements (Note 7)	$425,000 to $550,000	Lump Sum	As incurred before opening	Contractors/ Vendors
Furniture, Fixtures and Equipment (Note 8)	$180,000 to $200,000	Lump Sum	As incurred before opening	Contractors/ Vendors
Point-of-Sale Equipment and Computer (Note 9)	$6,000 to $8,000	Lump Sum	As incurred before opening	Contractors/ Vendors
Professional Fees (Note 10)	$4,000 to $5,000	Lump Sum	As incurred before opening	Contractors/ Vendors
Initial Inventory of Food, Beverages, Supplies and Uniforms (Note 11)	$15,000 to $20,000	Lump Sum	As incurred before opening	Contractors/ Vendors
Insurance Deposit (Note 12)	$5,000 to $9,100	Lump Sum	As incurred before opening	Contractors/ Vendors
Training Expenses (Note 13)	$10,000 to $25,000	Lump Sum	As incurred before opening	Contractors/ Vendors
Grand Opening Marketing (Note 14)	$7,000 to $15,000	Lump Sum	As incurred before opening	Us/Contractors/ Vendors
Financing Costs (Note 15)	Varies	Lump Sum	As incurred before opening	Lender/ Vendors
Additional Funds (Note 16)	$20,000 to $50,000	Lump Sum	As incurred before opening	Contractors/ Vendors
TOTAL ESTIMATED INITIAL INVESTMENT (exclusive of real estate costs)	$753,600 to $990,600 (exclusive of financing costs and tenant improvement allowance, if applicable)			

Explanatory Notes:

1. General – We do not impose or collect the fees or costs described in this Item 7, except for the items noted with "Us" in the column labeled "To Whom Paid." Except as described below, all fees and amounts that you must pay to us are non-refundable. For any amounts paid to third parties, the availability and conditions under which you may obtain refunds will depend on

the terms offered by those third party suppliers. We do not offer our franchisees financing for any part of the initial investment (see Item 10 for additional information). Our estimates in this Item 7 are based on our current size for Sweet Paris Crêperies, our experience in developing and operating our affiliate-owned Sweet Paris Crêperies, and our knowledge of business practices and conditions in the general marketplace. They are, however, only estimates and by their nature may change from time to time and may vary from location to location. We cannot be responsible for price increases, increased costs or incorrect estimates that are due to unforeseen circumstances and/or circumstances that are beyond our control. The figures do not provide for your cash needs to cover financing incurred by you or your other expenses. You should not plan to draw income from the operation during the start-up and developmental stage of your business, the actual duration of which will vary materially from location to location and cannot be predicted by us for your Crêperie (and which may extend for longer than the three month "initial period" described in Note 14 of this Item 7). You must have additional sums available, whether in cash or through a bank line of credit, or have other assets which you may liquidate or against which you may borrow, to cover other expenses and any operating losses you may sustain, whether during your start-up and development stage, or beyond. The amount of necessary reserves will vary greatly from franchisee to franchisee and will depend upon many factors, including the rate of growth and success of your Crêperie, which will in turn depend upon factors such as the demographics and economic conditions in the area in which your Crêperie is located, the presence of other Sweet Paris Crêperies, public awareness of our business, your ability to operate efficiently and in conformance with the System, and competition. Because the exact amount of reserves will vary and cannot be meaningfully estimated, we urge you to carefully review these figures and the figures you obtain from your own inquiries with an experienced business advisor, such as an accountant or consultant, or a legal advisor, before making any decision to purchase a Sweet Paris Crêperie franchise or any other franchised business.

2. Franchise Fee –See Item 5 for further details regarding the Franchise Fees and Area Development Fees. We do not provide financing for any of these fees.

3. Trade Area and/or Site Analysis Report – You will be required under the Franchise Agreement to obtain a report from a company approved by us which provides an analysis of the trade area and/or site for the proposed location for your Crêperie. This report must be submitted to us as part of your site approval package, which we require in order to approve a proposed site.

4. Lease (first month's rent), Utility & Security Deposits – If you do not own a location for your Crêperie, you must purchase or lease a space. Locations for Sweet Paris Crêperies will typically need approximately 1,800 to 2,500 square feet. The estimate in the chart above includes your first month's rent payment, security deposits and utility deposits (for example, telephone, electricity, gas and water). We have assumed the security deposit to your landlord will equal one month's rent, although this may vary from landlord to landlord. The estimates assume that rent commences upon the Crêperie's opening. You, however, will need to lease a space in advance to build-out the Crêperie. However, you may attempt to negotiate an abatement from the lessor for this period.

We anticipate that Sweet Paris Crêperies will typically be located in traditional in-line shopping centers, in high traffic urban and suburban areas, preferably near large residential

communities, office buildings and other commercial areas. Rent varies considerably from market to market, and from location to location within each market. Rents may vary beyond the range that we have provided, based on factors such as market conditions in the relevant area, the type and nature of improvements needed to the premises, the size of the site for the Crêperie, the terms of the lease, the desirability of the location, and your ability to negotiate with your lessor.

The estimates assume that you will lease the premises for your Crêperie and, therefore, do not include costs related to the purchase of land or the construction of any buildings. If you decide to purchase the property for the location of your Crêperie, you will incur additional costs that we cannot estimate.

5. Crêperie Licenses and Permits – These are general estimates for permits and licensing that may be required by local and state governments. Local, municipal, county and state regulations vary on the licenses and permits you will need to operate a Sweet Paris Crêperie. You will pay these fees to governmental authorities before starting business. You are solely responsible for obtaining all appropriate licenses and permits. You will be required to obtain all necessary and applicable alcoholic beverage permitting and licensing to offer beer, wine and spirits for sale and consumption at the Crêperie. You are responsible for complying with any federal, state, county, municipal, or other local laws and regulations relating to the sale and/or consumption of alcohol and liquor that may apply to your Crêperie.

6. Architect/Engineering Fees – You will be required to retain the services of a qualified architect and engineer, who we have approved or designated for use by our franchisees, to adapt our standardized plans and specifications based on our existing Sweet Paris Crêperies for the remodeling or finish-out of your Crêperie. We may from time to time develop or approve variations with respect to our prototype locations and plans. See Item 8 and 11 for more information on the design and construction plan process.

7. Leasehold Improvements – You will need to employ a qualified licensed general contractor to construct the improvements to, or "build out," the premises who is acceptable to us. Our estimates are based on the assumption that the location is a free-standing building approximately 1,800 to 2,500 square feet, and includes, at a minimum, a level concrete floor suitable for floor covering, air-conditioning, electricity, gas, sewers, bathroom facilities, and water and plumbing suitable for a retail business. Among other things, you will probably need to arrange for the following items to meet our standard plans and specifications: proper wiring and plumbing, floor covering, wall covering, partitions, lighting and fixtures, storefront modifications, painting, cabinetry, and the like. Costs will vary depending upon various factors, including: whether the site is a first generation restaurant site or a second generation restaurant/conversion site, the geographic location of your business; the size of the premises; the availability and cost of labor and materials; and the condition of the premises and the work that the lessor will do as a result of the lease negotiations. Lessors may, instead of constructing or installing some of the improvements itself, provide you with credits towards your future rent payments and/or a tenant improvement allowance. Our estimates do not account for any rental credits or tenant improvement allowance, although such allowances may be available through the landlord.

8. Furniture, Fixtures, and Equipment – As described in Item 8, you must purchase all fixtures, furnishings, equipment, signage and supplies that we specify as required for a Sweet Paris Crêperie. *Fixtures, Furnishings and Equipment:* This estimate includes fixtures and equipment required for a Sweet Paris Crêperie, including (without limitation) coolers and refrigeration equipment, cooking equipment, food preparation tables, serving counters, customer tables, seating, stereo, televisions, various trade dress and décor items, small wares, and other fixtures, furnishings and equipment. This estimate also includes the cost of your office furniture, filing cabinet and miscellaneous office supplies, and equipment. *Signage:* This estimate also includes the costs for interior and exterior signage. The cost of signage may vary significantly depending on the location of your Crêperie, market conditions and local codes. In some instances, the use of additional or larger signage may be possible, with our prior written approval. The costs of these optional items are not included in the line item total above.

In the event we determine, in our sole discretion, you are approved to operate a catering service or off-Premises business, you may do so only in accordance with the requirements of the Franchise Agreement and the procedures and policies set forth in the Operations Manual, and only in geographical areas that we designate. We currently require that you operate the Crêperie in accordance with our standards, policies and procedures for a period of 6 months prior to requesting our consent to operate a catering service or off-Premises business, provided this requirement is subject to modification. If we grant you this consent, you will be required to purchase a catering/delivery vehicle of the make, color and model with signage wrap that we specify in the Operations Manual or otherwise in writing, in addition to all required equipment and small wares. See Item 11 and Item 16 for additional details.

9. Point-of-Sale Equipment and Computer – You must purchase or lease specified computers and related hardware, along with required third party software necessary to operate the Crêperie. The estimate includes the costs for the items that we currently require. We may periodically require franchisees to update their computer systems to our then-current standards. See Item 11 under the heading "Computer System" for additional information.

10. Professional Fees – The estimate assumes that you will employ an attorney to help you negotiate your lease for the Crêperie premises. In addition, you may choose to employ an attorney, accountant, and other consultants to help you evaluate our franchise offering and your establishment of a new business, and in obtaining all required permits and licenses to establish and operate the Crêperie. In addition, you may also form a corporation or other entity to operate the business. Your actual costs may vary substantially, for example, depending on the degree to which you rely upon your advisors and upon the licensing requirements that may apply to your Crêperie.

11. Initial Inventory of Food, Beverages, Supplies and Uniforms – These expenses include an initial inventory of food and beverage products, as well as an initial inventory of paper goods and supplies and uniforms. You will need to replenish your initial inventory on an as needed basis as food items and other supplies are used. The amount and cost of your initial and subsequent orders for all of these items will vary depending on various factors, including the size and anticipated volume of your Crêperie's sales and the frequency of your orders.

12. Insurance Deposit – The estimate represents an initial deposit for the coverage necessary to operate the business and represents approximately three months of coverage. Insurance costs will vary depending upon factors such as the size and location of the Crêperie.

13. Training Expenses – You will incur expenses associated with our training program. For this training program, we provide instructors and instructional materials at no charge for up to 3 persons, but you must pay for transportation, lodging, meals, wages, and worker's compensation insurance (if you send any employees) for your trainees. Once you obtain your certificate of occupancy, you will be required to train your employees at the Premises prior to opening your Crêperie. This estimate includes costs associated with this pre-opening training such as payroll and worker's compensation insurance, as well as food, beverage and supply costs. This estimate also includes costs related to job recruiting advertisements. As to the amounts shown, the low end of the estimate assumes that the trainees are within driving distance to the training location, and the high end assumes that other travel will be needed, and includes travel expenses, although these may vary significantly depending upon factors such as the distance traveled and mode of transportation. Your costs will also vary depending on the nature and style of accommodations, and the number of persons who will attend training. See Item 11 under the heading "Training" for additional details regarding the program.

14. Grand Opening Marketing – You must agree to conduct a grand opening advertising and marketing program for the Crêperie in compliance with a grand opening advertising and marketing plan developed by us, beginning 1 month before and continuing for up to 2 months following opening of the Crêperie intending to provide initial marketing awareness and momentum ("Grand Opening Marketing"). You agree to spend at least $7,000 on Grand Opening Marketing, which amount must be deposited with us when you sign the lease or purchase contract for the Premises. We will spend this amount on your behalf, in our sole discretion, toward Grand Open Marketing, including, without limitation, the hiring of a professional photographer and a public relations firm designated by us. Additional details regarding advertising and promotion can be found in Item 11, under the heading "Advertising."

15. Financing Costs – You may incur costs associated with the securing of financing for the Crêperie. Financing costs will vary depending on the type of loan, your credit worthiness and the lender, among other factors, and therefore we have no way of estimating this amount.

16. Additional Funds – You will need additional capital to support on-going expenses, such as payroll, rent and utilities, to the extent that these costs are not covered by sales revenue. New businesses often generate a negative cash flow. We estimate that the amount shown in the chart above will be sufficient to cover on-going expenses for the start-up phase or initial period of the business, which we calculate to be three months. Such amounts are the minimum recommended levels and are only estimates. There is no assurance that additional working capital will not be necessary during this initial period or after. Your actual costs may vary considerably, depending, for example, on factors such as: local economic conditions; the local market for the Products; the prevailing wage rate; competition; the sales level achieved during the initial period of operation; and your management and training experience, skill, and business acumen. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. You should take into account the cash outlays and probable losses that

you may incur while you are trying to get established. The disclosure laws require us to include this estimate of all costs and expenses to operate your franchise during the "initial period" of your business, which is defined as three months or a longer period if "reasonable for the industry." We are not aware of any established longer "reasonable period" for our industry, so our disclosures cover a three month period.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Lease or Purchase of Premises

You must obtain lawful possession of the premises for the Crêperie through lease or purchase within 120 days after signing the Franchise Agreement. You will not execute a lease without our advance written approval. The lease for the premises must contain the terms and provisions we reasonably approve, including landlord acceptance of our proposed façade and signage.

Prototype and Construction Plans and Specifications

We will assist in the design, decoration, furnishings, furniture, layout, equipment, fixtures and signs for your Crêperie. It will then be your responsibility to have plans and specifications prepared to comply with our requirements and with all ordinances, building codes, permit requirements, and lease requirements and restrictions applicable to the premises utilizing an architect we approve. You must submit final construction plans and specifications to us for our approval before you begin construction at the premises, and must construct your Crêperie in accordance with those approved plans and specifications.

Development of the Crêperie

You must at your own expense do the following within a reasonable time after you have obtained possession of the premises of your Crêperie: (1) secure all financing required to fully develop the Crêperie; (2) obtain all required building, utility, sign, health, sanitation and business permits and licenses and any other required permits and licenses; (3) construct the Crêperie according to the construction plans and specifications we have approved; (4) decorate the Crêperie in compliance with plans and specifications we have approved; (5) purchase and install all required equipment, furniture, furnishings and signs; (6) cause the training requirements of Section 4 of the Franchise Agreement (described in Item 11) to be completed; (7) purchase an opening inventory of products, beverages and other supplies and materials; (8) do any other acts necessary to open the Crêperie for business; (9) obtain our approval to open the Crêperie for business; and (10) open the Crêperie for business. You must open the Crêperie for business within 270 days after signing the Franchise Agreement.

With respect to preparing and finalizing construction and engineering plans and specifications for your Crêperie, we and you agree, at your own expense, to the following:

(1) We will consult with our architect of choice for the purpose of designing the floorplan, kitchen layout and exterior elevations for the Premises of the Creperie, for which services the architect will charge and invoice us and we will then pass through this expense to you, which expense you shall pay us immediately upon demand, provided we reserve the right to have the architect charge and invoice you directly for such services. You agree to provide us with appropriate plans and/or "as built drawings" of the Premises for such purpose.

(2) Once we have approved of the design for the floorplan, kitchen layout and exterior elevations of the Creperie, you will engage an architect approved in advance by us to prepare final construction plans and specifications based upon our approved design, for which services the architect will charge and invoice you directly.

(3) Simultaneously with the architect's preparation of final construction plans and specifications, you will engage an engineer(s) approved in advance by us to prepare mechanical, electrical and plumbing construction plans and all other necessary engineering related plans for the Crêperie, including but not limited to structural engineering plans, for which services the engineer(s) will charge and invoice you directly.

(4) It will be your responsibility to have all construction and engineering plans and specifications comply with all ordinances, building codes, permit requirements, and lease requirements and restrictions applicable to the Premises

(5) You must submit final construction plans and specifications to us for approval before construction begins at the Premises, and the Crêperie must be constructed in accordance with those approved plans.

(6) You must keep us apprised of construction progress, by submitting bi-weekly (once every two weeks) photos of the Premises being built-out for the sole purpose of ensuring the Crêperie is being constructed in accordance with the construction plans and specifications and reflect our Sweet Paris Crêperie prototype design and branding standards.

(7) You must expressly acknowledge and agree that our approval of construction plans and/or specifications for the Premises shall be for the sole purpose of reflecting our Sweet Paris Crêperie prototype design and branding standards. You must further expressly acknowledge and agree that we shall not be liable for the negligence, defects, poor workmanship, unsatisfactory performance, unforeseen circumstances, or the like of any architect, engineer, contractor, firm, supplier, professional or consultant retained by you, whether or not designated by us.

You must expressly acknowledge and agree that we may modify the above with respect to preparing and finalizing construction and engineering plans and specifications for the Crêperie from time to time. Such modifications will be provided to you in our Operations Manual.

You must use the real estate leasing services of our designated master broker to assist in the locating and signing of a lease agreement for your Crêperie location.

Computer System

You will need to acquire (either by purchase or lease) the computer hardware and software system that we may specify from time to time. The computer hardware and software system refers to cash register or point of sale systems, hardware, software for the management and operation of the Crêperie and for reporting and sharing information with us, and communication systems (including modems, cables, etc.). See Item 11 under the heading "Computer System" for more information.

Equipment, Furniture, Fixtures and Signs

You must use in the development and operation of the Crêperie only those brands, types, and/or models of Crêperie and other equipment, furniture, fixtures, cash registers and signs we have approved. The use of used or second-hand equipment, furniture, fixtures, cash registers or signs will not be allowed.

Approved Products, Services, Distributors and Suppliers

We have developed standards and specifications for menu items, ingredients, beverages, materials and supplies incorporated in or used in the preparation, presentation and delivery of prepared food and beverage products authorized for sale at Sweet Paris Crêperies. Your Crêperie must (a) offer for sale all menu items prescribed by us from time to time, and other products and services that we from time to time authorize; (b) offer and sell approved products and services only in the manner we have prescribed; (c) not offer for sale or sell at the Crêperie, the premises or any other location any menu items or other products or services we have not approved; (d) not use the premises for any purpose other than the operation of the Crêperie; and (e) discontinue selling and offering for sale any products or services that we at any time decide (in our sole discretion) to disapprove in writing. You must maintain an inventory of approved products, beverages, ingredients and other products sufficient in quantity and variety to realize the full potential of your Crêperie. We may also approve certain suppliers of services necessary for the development and operation of Sweet Paris Crêperies, including, without limitation, computer system and Brand Technology services, insurance services, real estate leasing services, merchant services and linen services.

We may, from time to time, conduct market research and testing to determine consumer trends and the saleability of new products and services. You must cooperate by participating in our market research programs, and by providing us with timely reports and other relevant information regarding that market research. In connection with any test marketing, you will be required to purchase a reasonable quantity of the tested products and effectively promote and make a reasonable effort to sell them.

We have and will continue to periodically approve suppliers and distributors of the above products and services that meet our standards and requirements, including, standards and requirements relating to product quality, costs, prices, consistency, reliability, financial capability, labor relations and customer relations. None of our officers listed in Item 2 currently owns an interest in any supplier. You must (1) purchase products for sale from the Crêperie in the quantities we designate; (2) utilize the formats, formulae and containers for products we

prescribe; and (3) purchase all products, services, beverages, menus, serving baskets, plates, napkins, glassware, flatware, paper and plastic products, packaging or other materials, and utensils only from distributors and other suppliers we have approved.

We may approve a single distributor or other supplier (collectively "supplier"), for any product or service and may approve a supplier only as to certain products or services. We may concentrate purchases with one or more suppliers to obtain lower costs or prices or the best advertising support or services for any group of the Sweet Paris Crêperies franchised or operated by us. Approval of a supplier may be conditioned on requirements relating to the frequency of delivery, concentration of purchases, standards of service, including prompt attention to complaints, or other criteria and may be temporary, pending our continued evaluation of the supplier periodically.

If you would like to purchase any items from any unapproved supplier, you must submit to us a written request for approval of the proposed supplier. (Or the proposed supplier may submit its own request.) We have the right to inspect the proposed supplier's facilities, and to require product samples from the proposed supplier to be delivered at our option either directly to us or to any independent, certified laboratory which we designate for testing. Either you or the proposed supplier must pay us a fee (not to exceed the reasonable cost of the inspection and the actual cost of the test) to make the evaluation. We will notify you of our decision to approve or disapprove your request for approval of a proposed supplier within a reasonable time after we receive your written request, but never to exceed 90 days after we receive your written request and all other information we may have requested from you and after completion of any inspection we deem appropriate. We reserve the right to periodically re-inspect the facilities and products of any approved supplier and to revoke our approval if the supplier does not continue to meet any of our criteria. (Please note: Do not construe the new-supplier approval process just explained as requiring us to approve any proposed supplier.)

We will issue specifications or identify approved suppliers in our Operations Manual or bulletins or releases issued to franchisees. We will also issue specifications to approved suppliers. Neither we, nor any of our affiliates, are currently approved suppliers for any product or service but may be approved suppliers for products or services in the future. Neither we nor our affiliates have derived income or other material consideration as a result of required purchases or leases but may do so in the future. We currently do not negotiate purchase arrangements with suppliers for the benefit of our franchisees, but we reserve the right to do so in the future. We also do not provide material benefits (for example, renewal or granting additional franchises) to a franchisee based on a franchisee’s purchase of particular products or services or use of particular suppliers from our list of approved suppliers. We estimate that approximately 95% to 100% of your purchases or leases to start and operate your business will be made from approved or designated suppliers or in accordance with our specifications or requirements. There are presently no purchasing or distribution cooperatives.

We do not currently charge and/or retain royalties, commissions or rebates from vendors which supply Sweet Paris Crêperies, but we reserve the right to do so in the future.

Insurance

You must purchase and maintain in effect policies of insurance before the Crêperie opens for business. The insurance requirements are described in our Operations Manual, but we have the right to increase policy limits or minimum liability protection or require different or additional kinds of insurance and all policies of insurance must name us and any other party designated by us as additional insureds.

Item 9

FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Agreement	Item in Disclosure Document
a. Site selection and acquisition/lease	Section 3.1 of the Franchise Agreement	Item 8
b. Pre-opening purchases/leases	Sections 3.2, 3.3, 3.4 and 3.5 of the Franchise Agreement	Item 8
c. Site development and other pre-opening requirements	Sections 3.2 and 3.3 of the Franchise Agreement	Item 8
d. Initial and ongoing training	Section 4 of the Franchise Agreement	Item 11
e. Opening	Section 3.6 of the Franchise Agreement	Item 11
f. Fees	Section 9 of the Franchise Agreement; Section 5 of the Area Development Agreement	Items 5 and 6
g. Compliance with standards and policies/operating manual	Section 10 of the Franchise Agreement	Item 11
h. Trademarks and proprietary information	Section 6 of the Franchise Agreement	Item 13
i. Restrictions on products/services offered	Section 10 of the Franchise Agreement	Item 8

Obligation	Section in Agreement	Item in Disclosure Document
j. Warranty and customer service requirements	Section 10 of the Franchise Agreement	
k. Territorial development and sales quotas	Sections 2.3 and 2.4 of the Franchise Agreement; Sections 2 and 3 of the Area Development Agreement	Item 12
l. On-going product/service purchases	Section 10.4 of the Franchise Agreement	Item 8
m. Maintenance, appearance and remodeling requirements	Section 10.2 of the Franchise Agreement	Item 8
n. Insurance	Section 10.9 of the Franchise Agreement	Item 8
o. Advertising	Sections 9.4 and 11 of the Franchise Agreement	Item 11
p. Indemnification	Section 7.3 of the Franchise Agreement	Item 6
q. Owner's participation/ management/staffing	Section 10.8 of the Franchise Agreement	Item 11
r. Records and reports	Section 12 of the Franchise Agreement	Item 6
s. Inspections and audits	Section 13 of the Franchise Agreement	Item 6
t. Transfer	Section 14 of the Franchise Agreement; Section 9 of the Area Development Agreement	Item 17
u. Renewal	Section 2.6 of the Franchise Agreement	Item 17
v. Post-termination obligations	Section 16 of the Franchise Agreement	Item 17
w. Non-competition covenants	Sections 8.3 and 16.5 of the Franchise Agreement	Item 17

Obligation	Section in Agreement	Item in Disclosure Document
x. Dispute resolution	Sections 17.7, 17.8 and 17.9 of the Franchise Agreement; Sections 14, 15, 16 and 17 of the Area Development Agreement	Item 17

Item 10

FINANCING

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

Item 11

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

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

Before you open your Crêperie, we will:

(1) Expend the time and effort and incur the expenses as may reasonably be required to inspect sites you proposed for a Crêperie. We typically will not own the Crêperie's site and lease it to you.

(2) Approve the terms of the lease for the premises of your Crêperie Franchise Agreement – Section 3.1).

(3) Approve and assist in the preparation of plans, specifications and other materials reflecting our requirements for layout, equipment, fixtures and signs for your Crêperie (Franchise Agreement – Section 3.2).

(4) Approve final construction plans and specifications for your Crêperie (Franchise Agreement – Section 3.2).

(5) Specify the computer system and Brand Technology for your Crêperie (Franchise Agreement – Section 3.4).

(6) Provide an initial training program (see below) (Franchise Agreement - Section 4(a)).

During the operation of your Crêperie, we will:

(1) Furnish you with guidance and assistance in the following areas: (a) food preparation and presentation, packaging, sale and delivery of the products authorized for sale by the Crêperie; (b) purchasing approved equipment, furniture, furnishings, signs, food and beverage products, operating materials and supplies; (c) development and implementation of local advertising and promotional programs; (d) general operating, marketing and management procedures; and (e) changes in any of the above that occur periodically (Franchise Agreement – Section 5.1).

(2) Provide access to you during the term of the franchise of our Operations Manual. The Table of Contents of our Operations Manual is attached as Exhibit E. The total number of pages in the current Operations Manual is 404 pages. It will be made available to you prior to opening. Our Operations Manual may be modified to reflect changes in the specifications, standards, operating procedures and other obligations in operating Crêperies (Franchise Agreement - Section 5.2). Our Operations Manual is confidential and remains our property.

(3) Indemnify you against and reimburse you for all damages for which you are held liable in any proceeding arising out of your use of our Marks in compliance with the Franchise Agreement and all costs reasonably incurred by you in the defense of this kind of claim, so long as you have timely notified us of the claim (Franchise Agreement – Section 6.5).

(4) Review and approve or disapprove of suppliers and distributors you have proposed. We have the right to charge a fee to make this evaluation (Franchise Agreement – Section 10.4).

Any obligation or duty we have under the Franchise Agreement may be performed by any distributor, designated party, employee or agent of ours, as we may direct in our sole discretion. In the event that your Crêperie is located within the territory of an area representative of ours, it may be the area representative who performs the above described assistance, or any other obligation or duty under the Franchise Agreement, before and during your operation of the Crêperie.

Catering

You may not operate a catering service or off-Premises business or offer such services, without our prior written consent. In the case that we provide consent to operate a catering service or off-Premises business, you may do so only in accordance with the requirements of the Franchise Agreement and the procedures and policies set forth in the Operations Manual, and only in geographical areas that we designate. We currently require that you operate the Crêperie in accordance with our standards, policies and procedures for a period of 6 months prior to requesting our consent to operate a catering service or off-Premises business, provided this requirement is subject to modification. If we grant you this consent, you will be required to purchase a catering/delivery vehicle of the make, color and model with signage wrap that we specify in the Operations Manual or otherwise in writing, in addition to all required equipment and small wares.

We reserve the right to require that you hire a dedicated catering manager, based upon factors we determine in our sole discretion.

You may not host Private Events on the Premises of the Crêperie or off-Premises, without our prior written consent. We determine what constitutes a "Private Event" in our sole discretion. In the case that we provide consent to host a Private Event, you may do so only in accordance with the requirements of the Franchise Agreement and the procedures and policies set forth in the Operations Manual.

Advertising and Marketing

We may administer an advertising and marketing fund (the "Marketing Fund") for advertising, marketing and promotional programs as we may deem necessary or appropriate. Upon notice from us, you must contribute to the Marketing Fund 1% of the Gross Sales of the Crêperie payable each week. We have the right to increase your contribution to the Marketing Fund upon 30 days written notice to you. You will not be obligated to contribute more than 2% of the gross sales of the Crêperie to the Marketing Fund. Sweet Paris Crêperies owned by us or our affiliates may, but are not obligated to, contribute to the Marketing Fund on the same percentage as you do, or at all.

We will direct all advertising, marketing and promotional programs administered by the Marketing Fund, with sole discretion over the creative concepts, materials and endorsements used in them, and the geographic, market and media placement and allocation thereof. The Marketing Fund may be used to pay the costs of administering regional and multi-regional advertising, marketing and promotional programs including, purchasing direct mail and other media advertising such as internet and social media advertising and marketing; website development/maintenance, providing System email accounts, and search engine optimization; print advertising and television and radio advertising; and employing advertising agencies and supporting public relations, market research and other advertising and marketing activities including, the costs of participating in any national or regional trade shows that we, in our sole discretion, deem appropriate. We will not use Marketing Fund contributions for advertising that is principally a solicitation for the sale of franchises. The Marketing Fund may also be used for the protection of the Sweet Paris Crêperies brand, trademarks, trade secrets, trade dress and the like, including, without limitation, in connection with all legal proceedings and actions such as trademark disputes, cease and desist letters, restraining orders, injunctions and other legal proceedings in defense and protection of the Sweet Paris Crêperies brand.

The Marketing Fund will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for the reasonable salaries, administrative costs and overhead we may incur in connection with activities reasonably related to the administration of the Marketing Fund and its marketing programs including preparing advertising and marketing materials and collecting and accounting for contributions to the Marketing Fund. We may spend in any fiscal year an amount greater or less than the aggregate contribution of all Crêperies to the Marketing Fund in that year and the Marketing Fund may borrow from us or other lenders to cover deficits of the Marketing Fund or cause the Marketing Fund to invest any surplus for future use by the Marketing Fund. We will prepare an annual

statement of monies collected and costs incurred by the Marketing Fund, and will furnish it to you upon written request.

We will have the right to cause the Marketing Fund to be incorporated or operated through an entity separate from us at any time we deem appropriate, and this entity will have the same rights and duties as we do under the Franchise Agreement. The Marketing Fund is intended to enhance recognition of the Marks and patronage of Crêperies. Although we will endeavor to utilize the Marketing Fund to develop advertising and marketing materials and programs, and to place advertising that will benefit all Crêperies, we undertake no obligation to ensure that expenditures by the Marketing Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the Marketing Fund by Crêperies operating in that geographic area or that any Crêperie will benefit directly or in proportion to its contribution to the Marketing Fund from the development of advertising and marketing materials or the placement of advertising. We assume no direct or indirect liability or obligation to you or any other Crêperie in connection with the establishment of the Marketing Fund or the collection, administration or disbursement of monies paid into the Marketing Fund. Your contributions to the Marketing Fund are not refundable under any circumstance.

We have the right, in our sole discretion, to suspend contributions to and operations of the Marketing Fund for one or more periods that we determine to be appropriate and the right to terminate the Marketing Fund upon 30 days' written notice to you. All unspent monies on the date of termination will be distributed to us, our affiliates and our franchisees in proportion to our respective contributions to the Marketing Fund during the preceding 12 month period. We will have the right to reinstate the Marketing Fund upon the same terms and conditions set forth in the Franchise Agreement upon 30 days' advance written notice to you.

The Marketing Fund was established in April 2018, and for the year 2019 was spent in the following manner: graphic design – 17.81%; social media and online advertisement – 67.87%; customer surveys – 2.94%; website - .28%; print media – .56%; photo shoots – 3.98%; gift & loyalty – 2.88%; and other expenses – 3.68%.

You must spend monthly (or during such other period we designate) at least 2% of the Gross Sales of the Crêperie on marketing, advertising and promotion in your local Protected Area, provided that any amount you are required to contribute to us in excess of 1% of the Gross Sales of the Crêperie toward your contribution to the Marketing Fund will count toward your expenditure obligations on local advertising.

We reserve the right to require that you participate in local and regional advertising cooperatives in connection with the advertising and promotional programs administered by us or by other franchisees of the System. You must pay amounts that are approved by these cooperatives. Your total contribution to these cooperatives will be upheld to your obligation to expend funds on local advertising.

There are presently no regional or local advertising cooperatives. There are presently no advertising councils.

Before your use of them, samples of all local and regional advertising and promotional materials not prepared or previously approved by us must be submitted to us for approval, which will not be unreasonably withheld. You may not use any advertising or promotional materials that we have not previously approved in writing.

We currently advertise all Crêperies on our website, social media platforms, and multiple websites on the internet. You may not establish a separate website, social media account, or other formal online presence to advertise, market or promote your Sweet Paris Crêperie without prior written approval. We may, at any time, modify our policies with regard to websites and online presence.

You must participate in promotional programs developed by us for the System, in the manner directed in the Operations Manual or otherwise in writing, including the following if required by us:

(1) You must participate in all programs, offers and services for loyal/frequent customers and other categories, which may include providing discounts.

(2) You must offer any and all specialty menu crepes or waffles, and any other products we require.

(3) You must participate in all charitable donation and/or alliance programs.

(4) You must contribute to, participate in, and/or endorse an approved local charity(ies) within your market area which supports underprivileged children, as we direct in the Operations Manual or otherwise in writing. Any monetary contributions will apply towards your marketing, advertising and promotional spending requirements in your local market area.

(5) You shall sell or otherwise issue gift cards or certificates (together "Gift Cards") that have been prepared utilizing the standard form of Gift Card provided or designated by us, and only in the manner we specified. You must fully honor all Gift Cards that are in the form provided or approved by us regardless of whether a Gift Card was issued by you or another Sweet Paris Crêperie.

Upon the signing of your lease or purchase contract for the Crêperie, we will require that you deposit the Grand Opening Marketing funds with us. This amount will be managed and spent by us on your behalf in order to create and execute a promotional strategy to market the Crêperie as part of your grand opening. As described in Item 7, we will require a minimum of $7,000, which will be used by us to hire a public relations firm and a photographer to take professional pictures of the finished location, as well as to cover the expenses of promotion of the new opening online. We manage these vendors directly in order to guarantee that all such pictures for marketing, advertising and promotional purposes, are aligned with our branding standards, and are subject to our written approval prior to their use. In the case of any public relations promotion, you shall not act as the spokesperson for us or the Crêperie. We will provide a representative to act as the public relations spokesperson who will be responsible for conducting all media interviews on behalf of you, us and the Crêperie. You must forward to us all press requests coming directly to you.

Computer/Cash Register

You agree to use in the development and operation of the Crêperie certain brands, types, makes, and/or models of communications, management systems, computer systems and hardware, as well as software and cloud based platforms and related technology and informational systems that are designated by us, including without limitation, (i) back office computer systems, point of sale systems and cash register systems (ii) storage, retrieval, and transmission systems for data, audio (including designated music platform), video (including designated video camera system) and voice; (iii) physical, electronic, video and other security systems; (iv) printers and other peripheral devices; (v) archival back-up systems; (vi) internet access mode and speed features such as high speed broadband connectivity; (vii) software and/or cloud based platforms related to online ordering, texting communication solutions, and means of encryption; and (viii) means of providing us unlimited access to all of the foregoing (collectively, the "Brand Technology"). Currently, the following is approved for use in a Crêperie:

Toast POS Software;
Toast for credit card processing;
2 All-In-One terminals and a handheld terminal;
2 rear LCD displays;
2 thermal receipt printers;
2 cash drawers;
Router and port switch;
2 remote printers;
QSR kitchen display system software; and
2 QSR kitchen display system stations.

We estimate that the cost to purchase the Brand Technology will be in the approximate range of $6,000 to $8,000 (see Item 7), as well as monthly software (including POS software, gift card software, online ordering software, and loyalty program software) and subscription fees of approximately $232, which fees are subject to change. We also require that you pay subscription and other fees for the services of online platforms such as Chattback, which costs is currently approximately $25 per month, and subject to change. As part of the Brand Technology, we may require you to obtain specified computer hardware and/or software, including a license to use proprietary software developed by us or others. Our modification of these specifications for the components of the Brand Technology may require you 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 Brand Technology during the term of the Franchise Agreement. There are no limitations on the frequency and cost of these obligations of yours. We cannot estimate the future costs of the Brand Technology (or additions or modification to the Brand Technology), and the cost to you of obtaining the Brand Technology (including software licenses) (or any additions or modification) may not be fully amortizable over the remaining term of the Franchise Agreement. Nonetheless, you will incur these costs in obtaining the computer hardware and software comprising the Brand Technology (or additions or modification). We have the right to charge a reasonable systems fee for software or systems modifications and enhancements specifically made for us that is licensed to you and other maintenance and support

services that we furnish to you related to the Brand Technology. Neither we nor any affiliate or third party has an obligation to provide ongoing maintenance, repairs, upgrades or updates to the Brand Technology unless you enter into a contract for these services.

We will have independent access to the information and data from the Brand Technology. There is no contractual limitation on our right to access this information and data. This means you must provide us with complete access to your Brand Technology, including your POS platform, video camera system, Rockbot, Chattback and any other related platform or software you utilize in connection with the Brand Technology.

You must use the music platform we designate, which is currently Rockbot. The current cost is approximately $150 for the initial hardware package and $30 per month, which costs are subject to change. You must only play music that is approved by us in your Crêperie. You must grant us full access to your Rockbot account.

You and your management team must utilize your designated sweetparis.com email accounts or addresses that we provide at all times when conducting business in connection with the Crêperie. You may not use these email accounts or addresses for any other purpose. We reserve the right to charge you for each email account or address we provide. If we do so, you will pay us a fee equal to the amount we are charged for such account or address by our service provider. You must acknowledge that we maintain ownership of all email accounts/addresses provided to you, your management team and any other of your personnel, including all contents and associated files of such email accounts/addresses, and further that we have the unlimited right to actively review and monitor such email accounts/addresses at our discretion.

Training

The Crêperie at all times must be under the direct, on-premises supervision of you (or your designated principal owner that we approve) or your designated operator. Your designate operator must be experienced in food service operations and subject to our approval. If you appoint a designated operator for the direct, on-premises supervision of the Crêperie, he or she must have at all times at least a 10% ownership interest (or other equity agreement, subject to our approval) in you. You (or your designated principal owner) or your designated operator must complete our required training program and must devote full time and efforts to the management of the Crêperie. If you appoint a designated operator, you (or your designated principal owner) must attend and successfully complete such portions of the training program as we determine appropriate for principals not involved in the day-to-day operations of the Crêperie. You must also hire a management team and employees and you will be exclusively responsible for the terms of their employment, their compensation, and for the proper training of the employees in the operation of the Crêperie.

Before your Crêperie opens for business, you or your designated owner, or your designated operator and your management team must attend and complete to our satisfaction a training program in the operation of a Crêperie. The training program will be a total of approximately 6 weeks and will consist of the following:

TRAINING PROGRAM

Column 1 Subject	Column 2 Hours of Classroom Training	Column 3 Hours of On-The-Job Training	Column 4 Location
Restaurant Tour and Paper Work Orientation	1 Day	8 Hours	Designated Affiliate-Owned Sweet Paris Crêperies in the greater Houston, Texas area
Dishwashing / Bussing	1 Day	8 Hours	Designated Affiliate-Owned Sweet Paris Crêperie in the greater Houston, Texas area
Cold Preparation / Service	1 Week	30 Hours	Designated Affiliate-Owned Sweet Paris Crêperie in the greater Houston, Texas area
Hot Preparation / Service	1 Week	30 Hours	Designated Affiliate-Owned Sweet Paris Crêperie in the greater Houston, Texas area
Line Set-up / Service / Catering	½ Week	20 Hours	Designated Affiliate-Owned Sweet Paris Crêperie in the greater Houston, Texas area
Cashier / Service / Catering	1 Week	30 Hours	Designated Affiliate-Owned Sweet Paris Crêperie in the greater Houston, Texas area
Management Duties / Training / Service / Catering	1 Week	40 Hours	Designated Affiliate-Owned Sweet Paris Crêperie in the greater Houston, Texas area
Managing the Restaurant with Supervision	2 Weeks	60 Hours	Designated Affiliate-Owned Sweet Paris Crêperie in the greater Houston, Texas area
Managing the Restaurant without Supervision		40 Hours	Designated Affiliate-Owned Sweet Paris Crêperie in the greater Houston, Texas area

Scott Haehnel and Jonathan Youmans will oversee the training program. Mr. Haehnel is our Director of Strategic Partnerships, and manages the team of corporate trainers, which is led by Jonathan Youmans, who has held this position since 2019, and has been involved in the day-to-day operations of Sweet Paris since 2018. The instructional materials will include the Operations Manual and various handouts.

We may require at your expense that you (or your designated principal owner) attend additional training programs (up to 5 days per year) and conventions or national franchise meetings (up to 5 days per year).

For a minimum of 10 days before, during and after the opening of the Crêperie, we will furnish to you, at the premises and at our expense, at least one of our representatives for the purpose of facilitating the opening of the Crêperie. If you request, and we agree to provide, additional assistance, you must reimburse us for our expense of providing this additional assistance, including salary, travel and lodging and expenses of our employees.

Crêperie Opening

You will be solely responsible for identifying, submitting for our approval, and obtaining lawful possession of the premises for the Crêperie through lease or purchase within a site selection area within 120 days after signing the Franchise Agreement and open the Crêperie within 270 days after signing the Franchise Agreement, unless you obtain a written extension of such time periods from us. If you fail to timely lease the premises or timely open, we have the right to terminate this Agreement upon written notice to you.

To obtain our approval of a site, you must submit to us, in a form specified by us, a completed site approval package, which shall include: (i) a site approval form provided by us; (ii) a trade area and/or site marketing research analysis (prepared by a company approved in advance by us); (iii) an option contract, letter of intent, or other evidence satisfactory to us which describes your favorable prospects for obtaining such site; (iv) photographs of the site; (v) demographic statistics; (vi) the lease or purchase contract; and (vii) such other information or materials as we may reasonably require (collectively, the "SAP"). We will have 30 days after receipt of the SAP from you to approve or disapprove, in our sole discretion, the proposed site for the Crêperie. In the event we do not approve a proposed site by written notice to you within this 30 day period, such site and lease or purchase contract shall be deemed disapproved. No site shall be deemed approved unless it has been expressly approved in writing by us. We reserve the right to disapprove a site prior to receiving an SAP from you based upon our experience and prior knowledge of the Site Selection Area.

You will not execute a lease without our advance written approval. The lease for the premises must permit us to take possession of the premises under certain conditions if the Franchise Agreement is terminated. It must also contain the terms and provisions we reasonably approve, including landlord approval of the proposed façade and exterior signage. In connection with the signing of your lease you must also sign, and have your landlord sign, the Option for Assignment of Lease, included as Exhibit E to the Franchise Agreement.

We will furnish prototype plans and specifications reflecting our requirements for design, decoration, furnishings, furniture, layout, equipment, fixtures and signs for a Sweet Paris Crêperie. We and you agree, at your own expense, to the following with respect to preparing and finalizing construction and engineering plans and specifications for the Crêperie:

(1) We will consult with our architect of choice for the purpose of designing the floorplan, kitchen layout and exterior elevations for the Premises of the Creperie, for which services the architect will charge and invoice us and we will then pass through this expense to you, which expense you shall pay us immediately upon demand, provided we reserve the right to have the architect charge and invoice you directly for such services. You agree to provide us with appropriate plans and/or "as built drawings" of the Premises for such purpose.

(2) Once we have approved of the design for the floorplan, kitchen layout and exterior elevations of the Creperie, you will engage an architect approved in advance by us to prepare final construction plans and specifications based upon our approved design, for which services the architect will charge and invoice you directly.

(3) Simultaneously with the architect's preparation of final construction plans and specifications, you will engage an engineer(s) approved in advance by us to prepare mechanical, electrical and plumbing construction plans and all other necessary engineering related plans for the Crêperie, including but not limited to structural engineering plans, for which services the engineer(s) will charge and invoice you directly.

(4) It will be your responsibility to have all construction and engineering plans and specifications comply with all ordinances, building codes, permit requirements, and lease requirements and restrictions applicable to the Premises.

(5) You must submit final construction plans and specifications to us for approval before construction begins at the Premises, and the Crêperie must be constructed in accordance with those approved plans.

(6) You must keep us apprised of construction progress, by submitting bi-weekly (once every two weeks) photos of the Premises being built-out for the sole purpose of ensuring the Crêperie is being constructed in accordance with the construction plans and specifications and reflect our Sweet Paris Crêperie prototype design and branding standards.

(7) You must expressly acknowledge and agree that our approval of construction plans and/or specifications for the Premises shall be for the sole purpose of reflecting our Sweet Paris Crêperie prototype design and branding standards. You must further expressly acknowledge and agree that we shall not be liable for the negligence, defects, poor workmanship, unsatisfactory performance or the like of any architect, engineer, contractor, firm, supplier, professional or consultant retained by you, whether or not designated by us. (Franchise Agreement – Section 3.2)

You must expressly acknowledge and agree that we may modify the above with respect to preparing and finalizing construction and engineering plans and specifications for the Crêperie from time to time. Such modifications will be provided to you in our Operations Manual.

We estimate that it will be up to 9 months after you sign the Franchise Agreement before you open your Crêperie, but the interval may vary based on the following factors: the location and condition of the site, the Crêperie's construction schedule, the extent to which you must upgrade or remodel an existing location, the delivery schedule for equipment and supplies, permits and licensing requirements, delays in securing financing arrangements and completing training, and your compliance with local laws and regulations. We can terminate the Franchise Agreement in the event you fail to obtain lawful possession of the premises for the Crêperie through lease or purchase within 120 days after signing the Franchise Agreement or open the Crêperie within 270 days after signing the Franchise Agreement, unless you obtain a written extension of such time periods from us. (Franchise Agreement – Section 3.6).

Under a Development Agreement, you are typically required to open your first Crêperie 9 months after you sign the Development Agreement, the second Crêperie 18 months after you sign the Development Agreement, the third Crêperie 27 months after you sign the Development Agreement, and subsequent Crêperies every 9 months thereafter. However, the final number of months required for opening may vary by market and is defined in the Area Development Agreement. Under a Development Agreement, you will also be required to obtain lawful possession of the premises for each Crêperie to be developed based upon a time line set forth in the Development Agreement.

Item 12

TERRITORY

Franchise Agreement

You may operate the Crêperie only from the approved site. You will be granted a Protected Area (the "Protected Area") in which your Crêperie will be located. However, if your Crêperie is located in a Non-Traditional Site, as described below, or in a major metropolitan location, we reserve the right to not grant you a Protected Area. The Protected Area will be determined, in our sole discretion, by population density and other demographic factors. We also reserve the right to define the Protected Area by street boundaries, municipal boundaries, expressways, railroad tracks or other similar bounding descriptions. The Protected Area will be described in an Exhibit to the Franchise Agreement and may be depicted on a map attached to the Exhibit. The Protected Area is not the same area as, and will be smaller than, the site selection area in which you will be looking for a site. Provided you are in compliance with the Franchise Agreement, neither we nor our affiliates will grant a franchise for the establishment of another Sweet Paris Crêperie to be located within the Protected Area. The Protected Area is not the same area as, and will be smaller than, the site selection area in which you will be looking for a site.

We reserve all rights not granted in the Franchise Agreement, including (by way of example and not as a limitation), (a) the right to operate or grant others the right to operate Crêperies located outside the Protected Area on terms and conditions we deem appropriate; (b) the right to produce and sell products using the Marks or other commercial symbols through other channels of distribution according to terms and conditions we deem appropriate; (c) the right to operate or grant others the right to operate Crêperies or similar restaurant or business facilities at Non-Traditional Sites at any location within or outside the Protected Area. "Non-Traditional Sites" shall mean outlets that serve primarily the customers located within a facility, such as captive audience facilities (examples include, but are not limited to, parks charging admission, stadiums, amusement parks and centers, theaters and art centers), limited purpose facilities (examples include, but are not limited to, airports, transportation centers, department stores, in-door shopping centers or malls, business and industrial complexes, museums, educational facilities, hospitals, art centers, and recreational parks), limited access facilities (examples include, but are not limited to, military complexes, buyer club businesses, educational facilities, business and industrial complexes), and other types of institutional accounts; (d) the right to operate other retail outlets or enter into other lines of business offering dissimilar products or services under trademarks and service marks other than the Marks; and (e) the right

to (i) acquire one or more retail businesses that are the same as, or similar to, Sweet Paris Crêperies then operating under the System (each an "Acquired Business"), which may be at any location within or outside the Protected Area, notwithstanding their proximity to the Protected Area or the Crêperie or their actual or threatened impact on sales of the Crêperie, and to (ii) operate and/or license others to operate any Acquired Business under its existing name or as a Sweet Paris Crêperie under the System. We do not need to pay you any compensation for soliciting or accepting orders within the Protected Area in one of the manners described in this paragraph.

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.

There is no provision in the Franchise Agreement for relocation of the Crêperie during the term or for the establishment of additional Sweet Paris Crêperies. You may not relocate the Crêperie without our approval. Whether or not we would allow relocation depends on the circumstances at the time and what is in the Crêperie's best interest and what is in the System's best interest. If you are unable to maintain possession of the premises of the Crêperie upon renewal, we will allow you to relocate the Crêperie to another acceptable location provided you expeditiously develop the premises in compliance with our standards and specifications.

You may solicit and sell to customers regardless of their location, provided that you may not offer or sell any products or services at wholesale or by mail order or over the Internet or any other electronic modem, or through delivery service, or operate a catering service or business, without our prior written consent. Other Sweet Paris Crêperies, including those operated by us or our affiliates, also may solicit and sell to customers wherever located, even if they are located within your Protected Area. You shall have no rights to any such sales by us or our other franchisees. In the case that we provide consent to operate a catering service or business, you may do so only in accordance with the requirements of the Franchise Agreement and the procedures and policies set forth in the Operations Manual, and only in geographical areas that we designate.

You have no options or rights of first refusal to purchase additional Sweet Paris franchises. Continuation of rights to your Protected Area is not dependent on achievement of any specific sales volume, market penetration or any other contingency. There are no other circumstances which allow us to modify your Protected Area or your territorial rights.

Neither we nor our affiliates operate, franchise, or have present plans to operate or franchise a business under a different trademark that sells or will sell goods or services similar to those you will sell. However, we reserve the right to do so in the future.

Area Development Agreement

If you sign an Area Development Agreement with us, we will grant you rights in a Development Area to establish a certain number of Crêperies. The Designated Area will vary widely depending on the market where you are looking to develop Crêperies. We will identify the Development Area by streets or other natural boundaries. There is no minimum size for the

Designated Area. If you are in full compliance with the Area Development Agreement and all Franchise Agreements, we will not establish, or grant any other party the rights to establish Crêperies in the Development Area prior to the expiration of the Area Development Agreement's term. Subject to this limitation, we reserve, on behalf of ourselves and our affiliate, all other rights.

Except with respect to your development obligations described in the Area Development Agreement, continuation of your Development Area exclusivity does not depend on your achieving a certain sales volume, market penetration or other contingency.

Item 13

TRADEMARKS

We grant you the right to operate your Crêperie under the name "Sweet Paris," our principal trademark. You may also use our other current or future trademarks we approve to identify your Crêperie.

Our affiliate, Inverchavez Holding LLC, has been assigned and is the owner of the following principal Marks registered on the principal register of the United States Patent and Trademark Office ("USPTO"), which registrations include the filing of all required affidavits:

Mark	Registration Number	Registration Date
SWEET PARIS (Class 43)	4556235	June 24, 2014
 (Class 43)	4556236	June 24, 2014
 (Class 43)	4560655	July 1, 2014

(Class 43)	4724067	April 21, 2015
(Class 43)	5338297	November 21, 2017

We have entered into a Trademark and Proprietary Information License Agreement with our affiliate, Inverchavez Holding LLC, under which our affiliate will authorize us to use, or license others to use, the Marks. The term of this license will be perpetual and is terminable by either party upon default by the other party. Termination of the Trademark and Proprietary Information License Agreement will not affect our then-existing franchise agreements with our franchisees and will not affect any renewal terms under those franchise agreements. Termination will only affect our license to use the Marks with respect to new franchisees. No other agreements limit our rights to use, or license the use of, the Marks.

There are no currently effective material determinations of the USPTO, trademark trial and appeal board, the trademark administrator or of any state, pending infringement, opposition or cancellation or pending material litigation involving our principal trademarks. Except as otherwise described, there are no other agreements in effect which materially affect our rights to use or license the use of the Marks in a manner material to the franchise. We do not actually know of either superior rights or infringing uses that could materially affect your use of the Marks in any state.

Your right to use the Marks is derived solely from the Franchise Agreement and is limited to your conduct of business in compliance with the Franchise Agreement and all applicable specifications, standards and operating procedures we prescribe during the term of the franchise. Any unauthorized use of the Marks by you will constitute an infringement of our rights in and to the Marks. Your usage of the Marks and any goodwill established by your usage of the Marks will be for our exclusive benefit and the Franchise Agreement does not confer any goodwill or other interests in the Marks upon you. All provisions of the Franchise Agreement applicable to the Marks will apply to any additional proprietary trade and service marks and commercial symbols authorized for use by and licensed to you under the Franchise Agreement.

You may not at any time during or after the term of the Franchise Agreement contest, or assist any other person in contesting, the validity or ownership of any of the Marks.

You must use the Marks as the sole identification of the Crêperie, provided that you must identify yourself as the independent owner of the Crêperie in the manner we prescribe. You may not use any Mark as part of any corporate or trade name, or with any prefix, suffix, or other modifying words, terms, designs or symbols, or in any modified form, nor may you use any Mark with the sale of any unauthorized service or in any other manner we have not expressly authorized in writing. You must prominently display the Marks on or with Crêperie posters and displays, service contracts, stationery, other forms we designate, and in the manner we prescribe, give the notices of trade and service mark registrations and copyrights we specify, and obtain the fictitious or assumed name registrations as may be required under applicable law.

You must immediately notify us of any apparent infringement of or challenge to your use of any Mark, or claim by any person of any rights in any Mark, and you may not communicate with any person other than us and our counsel about any infringement, challenge or claim. We and our affiliates will have sole discretion to take any action we deem appropriate and the right exclusively to control any litigation or USPTO or other proceeding arising out of any infringement, challenge or claim or otherwise relating to any Mark and you must execute any and all instruments and documents, render assistance and do the acts and things as may, in the opinion of our or our affiliates' counsel, be necessary or advisable to protect and maintain our interests in any litigation or USPTO or other proceeding or to otherwise protect and maintain our interests in the Marks.

If it becomes advisable at any time in our sole discretion for us and/or you to modify or discontinue use of any Mark, and/or use one or more additional or substitute trade or service marks, you must comply with our instructions within a reasonable time after notice by us and our sole obligation in this event will be to reimburse you for your out-of-pocket costs of complying with this obligation; provided, however, that you will not be obligated to spend more than 1% of your gross sales to comply with this obligation.

We will indemnify you against, and reimburse you for, all damages for which you are held liable in any proceeding arising out of your use of any Mark, in compliance with the Franchise Agreement, and for all costs you reasonably incur in the defense of any claim brought against you or in any proceeding in which you are named as a party, provided that you have timely notified us of the claim or proceeding and have otherwise complied with the Franchise Agreement. We, in our discretion, will be entitled to defend any proceeding arising out of your use of any Mark under the Franchise Agreement, and, if we undertake the defense of the proceeding, we will have no obligation to indemnify or reimburse you for any fees or disbursements of counsel you retain.

Item 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents or pending patent applications are material to the franchise. You can use the proprietary information in our Operations Manual. Our Operations Manual is described in

Item 11. Although we have not filed an application for a copyright registration for our Operations Manual, we claim copyright protection in it and it is proprietary. We are not obligated to take any action for unauthorized uses of the information contained in our Operations Manual, but, in appropriate circumstances, we intend to do so. We have no obligation to indemnify you for losses brought by you concerning your use of this information, but, under appropriate circumstances, we intend to do so. We are not aware of any infringing uses of this information. There are no agreements in effect affecting our right to use this information.

We and our affiliates have developed proprietary confidential information comprising methods, techniques, procedures, information, systems and knowledge of and experience in the design and operation of Crêperies including (1) secret recipes, proprietary products, and methods of efficiently and cost-effectively preparing and serving food, beverage and other products sold at Crêperies; (2) knowledge of test programs, concepts or results relating to new menu items or categories; (3) sources of products sold from Crêperies; (4) advertising and promotional programs; (5) Crêperie image and decor; (6) methods, techniques, formats, specifications, procedures, information, systems and knowledge of and experience in the development, operation, and franchising of Crêperies; and (7) the selection and methods of training managers, cooks and other employees. We will disclose the Confidential Information to you in the initial training program, the Operations Manual and in guidance furnished to you during the term of the Franchise. You will not acquire any interest in the Confidential Information other than the right to utilize it in the development and operation of your Crêperie during the term of the franchise.

The Confidential Information is proprietary and, except to the extent that it is or becomes generally known in the Crêperie industry or trade, the Confidential Information is our trade secret and is disclosed to you solely for your use in the operation of the Crêperie during the term of the franchise. You (1) must not use the Confidential Information in any other business or capacity; (2) must maintain the confidentiality of the Confidential Information during and after the term of the Franchise; (3) must not make unauthorized copies of any portion of the Confidential Information disclosed in written form; and (4) must adopt and implement all reasonable procedures prescribed periodically to prevent unauthorized use or disclosure of any of the Confidential Information, including without limitation, restrictions on disclosure to employees of the Crêperie and the use of nondisclosure clauses in employment agreements with these employees.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

The Crêperie at all times must be under the direct, on-premises supervision of you (or your designated principal owner that we approve) or your designated operator that we approve. Your designate operator must be experienced in food service operations and subject to our approval. If you appoint a designated operator for the direct, on-premises supervision of the Crêperie, he or she must have at all times at least a 10% ownership interest (or other equity agreement, subject to our approval) in you. You (or your designated principal owner) or your designated operator must complete our required training program and must devote full time and efforts to the management of the Crêperie. You must also hire a management team and

employees and you will be exclusively responsible for the terms of their employment, their compensation, and for the proper training of the employees in the operation of the Crêperie. The management team must complete our required training programs. You must establish at the Crêperie a training program for all other employees using our Operations Manual. All employees must maintain a neat and clean appearance and to conform to the standards of dress and/or uniforms we specify from time to time for all Crêperies. All employees must render prompt, efficient and courteous service to all customers of the Crêperie. Neither you nor your principal owner nor your designated operator nor your management team can engage in any other business or activity that may conflict with your or their obligations under the Franchise Agreement. You, your principal owner(s), your designated operator and your management team must maintain our trade secrets and abide by our covenants not to compete.

If you are an entity, all of your owners must sign a Principal Owner's Guaranty (which is attached to the Franchise Agreement as Exhibit A) agreeing to be bound by and guaranteeing the obligations of the "Franchisee" under the Franchise Agreement. If the Franchise Agreement is subsequently assigned to a corporation, partnership or limited liability company, your owners must agree to be bound by the terms of the Franchise Agreement and guarantee the obligations of the Franchisee under the Franchise Agreement.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We require that you offer and sell only those products and services we have approved for Crêperies. You must offer all goods and services that we designate for Crêperies. We have the right to add new or additional products and services which you must offer at your Crêperie. There are no restrictions in the Franchise Agreement on our right to do this. You may operate a retail but not a wholesale business from the Crêperie (see Item 12).

You may not operate a catering service or off-Premises business or offer such services, without our prior written consent. In the case that we provide consent to operate a catering service or off-Premises business, you may do so only in accordance with the requirements of the Franchise Agreement and the procedures and policies set forth in the Operations Manual, and only in geographical areas that we designate. We currently require that you operate the Crêperie in accordance with our standards, policies and procedures for a period of 6 months prior to requesting our consent to operate a catering service or off-Premises business, provided this requirement is subject to modification. If we grant you this consent, you will be required to purchase a catering/delivery vehicle of the make, color and model with signage wrap that we specify in the Operations Manual or otherwise in writing, in addition to all required equipment and small wares.

We reserve the right to require that you hire a dedicated catering manager, based upon factors we determine in our sole discretion.

You may not host Private Events on the Premises of the Crêperie or off-Premises, without our prior written consent. We determine what constitutes a "Private Event" in our sole discretion. In the case that we provide consent to host a Private Event, you may do so only in

accordance with the requirements of the Franchise Agreement and the procedures and policies set forth in the Operations Manual.

Item 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

THE FRANCHISE RELATIONSHIP

Provision	Section in Franchise or Related Agreement	Summary
a. Length of the franchise term	Section 2.1 of the Franchise Agreement	10 years
b. Renewal or extension of the term	Section 2.6 of the Franchise Agreement	3 additional terms of 5 years
c. Requirements for franchisee to renew or extend	Section 2.6 of the Franchise Agreement	You must: maintain possession of premises and refurbish and redecorate in compliance with our then current requirements or obtain and develop suitable substitute premises; correct any deficiencies in the operation of the Crêperie identified in our written notice to you prior to expiration; sign our then current form or franchise agreement and any ancillary documents; and sign a general release of any and all claims against us, our officers, directors, employees and agents. The terms of our then current form of franchise agreement that you sign for renewal of the franchise may differ materially from any and all of those contained in the Franchise Agreement attached to this Disclosure Document.
d. Termination by franchisee	Not applicable	Not applicable

Provision	Section in Franchise or Related Agreement	Summary
e. Termination by franchisor without cause	Not applicable	Not applicable
f. Termination by franchisor with cause	Section 15 of the Franchise Agreement; Section 8 of the Area Development Agreement	We may terminate the Franchise Agreement only upon written notice to you. We may terminate the Area Development Agreement only upon written notice to you.
g. "Cause" defined – curable defaults	Section 15 of the Franchise Agreement	Under the Franchise Agreement, if you do not pay us within 10 days after written notice; you do not comply with any other provision of the franchise agreement or specification, standard or operating procedure and do not correct the failure within 30 days after written notice. Under the Area Development Agreement, there are no curable defaults.
h. "Cause" defined – non-curable defaults	Section 15 of the Franchise Agreement; Section 8 of the Area Development Agreement	Under the Franchise Agreement, you fail to timely lease, purchase develop or open the Crêperie; you or your principal owner fails to complete the training program; you abandon, surrender, transfer control of or do not actively operate the Crêperie or lose the right to occupy the location of the Crêperie; you or your principal owner make an unauthorized transfer or assignment of the franchise or assets of the Crêperie; you are adjudged a bankrupt, become insolvent or make an assignment for the benefit of creditors; you or your principal owners are convicted of a felony or are convicted or plead no contest to any crime or offense that adversely affects the reputation of the Crêperie and the

Provision	Section in Franchise or Related Agreement	Summary
		goodwill of our Marks; you violate any health or safety law or ordinance or regulation or operate the Crêperie that creates a health or safety hazard; or you fail on 3 or more occasions within any consecutive 12 month period to comply with the franchise agreement whether or not your failures to comply are corrected after notice to you. Under the Area Development Agreement, you fail to satisfy your development obligations or any franchise agreement executed by you for the operation of a Crêperie is terminated for any reason.
i. Franchisee's obligations on termination/non-renewal	Section 16 of the Franchise Agreement	You must pay all amounts owed, refrain from using our Marks, return to us or destroy, as we specify, all customer lists, software, forms and materials bearing our Marks or relating to the Crêperie, de-identify the premises, return the Operations Manual and cease using all confidential information and abide by the post-term non-compete.
j. Assignment of contract by franchisor	Section 14.2 of the Franchise Agreement; Section 9 of the Area Development Agreement	The Franchise Agreement and Area Development Agreement are fully transferable by us.
k. "Transfer" by franchisee-defined	Section 14.3 of the Franchise Agreement;	Transfer includes any voluntary, involuntary, direct or indirect assignment, sale, gift, exchange, grant of a security interest or change of ownership in the franchise agreement, the Crêperie

Provision	Section in Franchise or Related Agreement	Summary
		or any interest in the franchise.
l. Franchisor approval of transfer by franchisee	Section 14.4 of the Franchise Agreement; Section 9 of the Area Development Agreement	We will not unreasonably withhold approval of the Franchise Agreement. We will not approve any assignment of the Area Development Agreement, except in connection with the assignment of all franchise agreements to which you are a party, provided that all franchise agreements are assigned to the same individual or entity.
m. Conditions for franchisor approval of transfer	Section 14.4 of the Franchise Agreement	Proposed new owner must have sufficient business experience, aptitude and financial resources to operate the Crêperie; you must pay all amounts due us and our affiliates; proposed new owner and its management team (if we require) must successfully complete our training program; your landlord must consent to transfer of the lease; you must pay us a transfer fee of 50% of our then current initial franchise fee if transfer is to an existing franchisee or 75% of our then current franchise fee if transfer is to a new franchisee; you and your principal owners must deliver a general release in favor of us and our officers, directors, employees and agents; new owner must agree to remodel to bring the Crêperie to current standards; new owner must assume all obligations under your franchise agreement or, at our option, sign a new franchise agreement on our then current form.
n. Franchisor's right of first refusal to acquire	Section 14.8 of the	We have 30 days to match any

Provision	Section in Franchise or Related Agreement	Summary
franchisee's business	Franchise Agreement	offer.
o. Franchisor's option to purchase franchisee's business	Sections 16.6 and 16.7 of the Franchise Agreement	We have the option for 30 days to purchase the Crêperie upon termination or expiration of the franchise agreement at fair market value, including obtaining a lease for real estate on existing terms. If you own the Crêperie property, we also have the right to purchase any property on which the Crêperie is located at fair market value. If we cannot agree on fair market value (or fair rental value), the value will be determined by an appraisal process.
p. Death or disability of franchisee	Section 14.6 of the Franchise Agreement	Executor, administrator or other personal representative must transfer interest of franchisee or principal owner within 12 months. All transfers are subject to provisions in franchise agreement regulating transfers.
q. Non-competition covenants during the term of the franchise	Section 8.3 of the Franchise Agreement	Neither you nor your principal owners nor any immediate family members of you or your principal owners may perform services for or have any interest in any similar restaurant business.
r. Non-competition covenants after the franchise is terminated or expires	Section 16.5 of the Franchise Agreement	You and your principal owners are prohibited from performing services for or having an interest in any similar restaurant business for 3 years within 50 miles of the Crêperie or any other Crêperie.
s. Modification of the agreement	Section 17.12 of the Franchise Agreement; Section 23 of the Area Development Agreement	No modifications unless both parties consent.

Provision	Section in Franchise or Related Agreement	Summary
t. Integration/merger clause	Section 17.12 of the Franchise Agreement; Section 23 of the Area Development Agreement.	Only the terms of the Franchise Agreement and Area Development Agreement are binding (subject to state law). However, nothing in the Franchise Agreement or Area Development Agreement is intended to disclaim our representations made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	Section 17.7 of the Franchise Agreement; Section 14 of the Area Development Agreement	All controversies, disputes or claims subject to arbitration in the city in which our headquarters is located.
v. Choice of forum	Section 17.8 of the Franchise Agreement; Section 15 of the Area Development Agreement	All actions which are not required to be arbitrated must be brought in a court of competent jurisdiction in Texas.
w. Choice of law	Section 17.9 of the Franchise Agreement; Section 16 of the Area Development Agreement	Texas law governs, except for matters regulated by the United States Trademark Act.

Item 18

PUBLIC FIGURES

We do not use any public figures to promote our franchise, but we reserve the right to do so in the future.

Item 19

FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the Disclosure Document. Financial performance information that differs from that included in Item 19 may be

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

The following Table 1 includes actual Gross Sales, cost of goods sold, certain expenses (not including Royalty Fee payments, among others), as indicated below, and the resulting net profit (before depreciation, debt service and taxes) achieved by our four affiliate-owned Sweet Paris Crêperies that were opened for the entire year of 2020. The period reported is from January 1, 2020 to December 31, 2020. As indicated above and in the notes below, you will have additional expenses, which we have not included in our calculation of net profit.

The following Table 2 includes actual Gross Sales, cost of goods sold, certain expenses (including Royalty Fee payments and marketing and advertising expenses and excluding others), as indicated below, and the resulting net profit (before depreciation, debt service and taxes) achieved by the three franchisee-owned Sweet Paris Crêperies that were opened for the entire year of 2020. The period reported is from January 1, 2020 to December 31, 2020. We have not included those Sweet Paris Crêperies which opened in 2020, due to limited operating history. Nor have we included our licensee-owned Sweet Paris Crêperies located in Mexico in the below figures, as these Crêperies are not representative of our franchise offering. Again, as indicated above and in the notes below, you will have additional expenses, which we have not included in our calculation of net profit.

The following Table 3 includes annual franchise expenses not included in Table 1 based upon the median annual Gross Sales of our affiliate-owned Sweet Paris Crêperies for the year ending December 31, 2020, which is calculated as $1,004,276. See Note 6 below for further explanation.

"Gross Sales" means all revenue related to the Sweet Paris Crêperie (excluding customer refunds and sales taxes collected and remitted to the proper authorities). Your revenues and expenses may vary significantly depending on a number of factors, including the location of your Crêperie and how you operate your business.

The Sweet Paris Crêperies in the table below have sold the reported amounts. Your individual results may differ. There is no assurance you will sell as much. You should conduct an independent investigation of the costs and expenses you will incur in operating your Crêperie. Franchisees or former franchisees, if any, listed in this Disclosure Document, may be one source of this information.

We have compiled the following information from the internal, unaudited financial statements of our affiliates for the 12 month period ending December 31, 2020. These financial statements were not prepared in accordance with Generally Accepted Accounting Principles (GAAP), but are believed to be reliable. The figures related to our franchisee's results were obtained from sales reports provided by our franchisee, and have not been verified beyond receipt of such reports. Written substantiation of the data used in preparing these sales figures will be made available to you upon reasonable request.

Table 1

For the Twelve-Month Period from Ending December 31, 2020	Affiliate-Owned Sweet Paris Crêperie No. 1 (Rice Village)	Affiliate-Owned Sweet Paris Crêperie No. 2 (City Center)
Gross Sales	$1,002,532 (100.00%)	$1,695,136 (100.00%)
Cost of Goods Sold	$240,059 (23.95%)	$413,972 (24.42%)
Labor Costs	$385,789 (38.48%)	$536,024 (31.62%)
Rent Expense	$151,715 (15.13%)	$198,992 (11.74%)
Other Expenses	$101,300 (10.10%)	$130,322 (7.69%)
Marketing Fund Contribution	$2,865 (0.29%)	$1,218 (0.07%)
Net Profit	$120,804 (12.05%)	$414,607 (24.46%)
For the Twelve-Month Period from Ending December 31, 2020	**Affiliate-Owned Sweet Paris Crêperie No. 3 (Highland Village)**	**Affiliate-Owned Sweet Paris Crêperie No. 4 (College Station)**
Gross Sales	$926,802 (100.00%)	$1,006,020 (100.00%)
Cost of Goods Sold	$210,147 (22.67%)	$225,535 (22.42%)
Labor Costs	$387,177 (41.78%)	$392,117 (38.98%)
Rent Expense	$311,246 (33.58%)	$166,378 (16.54%)
Other Expenses	$89,854 (9.70%)	$89,524(8.90%)
Marketing Fund Contribution	$1,562 (0.17%)	$2,566 (0.26%)
Net Profit	$-73,185 (-7.90%)	$129,900 (12.91%)

Table 2

For the Twelve-Month Period from Ending December 31, 2020	Franchisee-Owned Sweet Paris Crêperie No. 1 (Katy)	Franchisee-Owned Sweet Paris Crêperie No. 2 (The Woodlands)
Gross Sales	$1,356,176 (100.00%)	$1,500,646 (100.00%)
Cost of Goods Sold	$243,011 (18.54%)	$358,358 (23.88%)
Labor Costs	$572,256 (42.20%)	$542,911 (36.18%)
Rent Expense	$62,869 (4.64%)	$195,876 (13.05%)
Other Expenses / Royalties	$316,333 (23.32%)	$202,614 (13.50%)
Marketing Fund Contribution	$13,447 (.99%)	$13,659 (.91%)
Net Profit	$148,260 (10.93%)	$187,228 (12.48%)

For the Twelve-Month Period from Ending December 31, 2020	Franchisee-Owned Sweet Paris Crêperie No. 3 (San Antonio)	
Gross Sales	$1,075,604 (100.00%)	
Cost of Goods Sold	$217,064 (20.18%)	
Labor Costs	$410,929 (38.20%)	
Rent Expense	$160,959 (14.96%)	
Other Expenses / Royalties	$302,390 (15.59%)	
Marketing Fund Contribution	$10,565 (.98%)	
Net Profit	-$26,303 (-2.45%)	

Table 3

Annual Franchise Expenses Not Included in Table 1 Assuming Median Annual Gross Sales of $1,324,035	
Royalty Fee (5%)	$50,213
Marketing Fund Contribution (1%)	10,042
Local Advertising and Marketing (2%)	$20,085

Notes:

(1) The affiliate-owned Sweet Paris Crêperie No. 1 reported above in Table 1 opened May 2012 at 2420 Rice Boulevard, Houston, Texas 77005, occupies a leased space of approximately 1,700 square feet (not including outdoor seating), and is open Sunday through Thursday 8:00 am to 9:00 pm and Friday through Saturday 8:00 am to 11:00 pm. All of our affiliates revenue related to catering and off-site sales are attributed to this Sweet Paris Crêperie No. 1.

The affiliate-owned Sweet Paris Crêperie No. 2 reported above in Table 1 opened January 2015 at 797 Sorella Court, Houston, Texas 77024, occupies a leased space of approximately 2,315 square feet (not including outdoor seating), and is open Sunday through Thursday 8:00 am to 9:00 pm and Friday through Saturday 8:00 am to 12:00 am.

The affiliate-owned Sweet Paris Crêperie No. 3 reported above in Table 1 opened December 2018 at 2701 Drexel Drive, Houston, Texas 77027, occupies a leased space of approximately 2,364 square feet (not including outdoor seating), and is open Sunday through Thursday 8:00 am to 9:00 pm and Friday through Saturday 8:00 am to 10:00 pm.

The affiliate-owned Sweet Paris Crêperie No. 4 reported above in Table 1 opened July 2018 at 143 Century Square, Suite 110, College Station, Texas 77840, occupies a leased space of approximately 2,280 square feet (not including outdoor seating), and is open Sunday through Thursday 8:00 am to 9:00 pm and Friday through Saturday 8:00 am to 11:00 pm.

(3) The franchisee-owned Sweet Paris Crêperie No. 1 reported above in Table 2 opened April 2018 at 23501 Cinco Ranch Blvd, Suite S120, Katy, Texas 77494, and is open Sunday through Thursday 8:00 am to 9:00 pm and Friday through Saturday 8:00 am to 10:00 pm.

The franchisee-owned Sweet Paris Crêperie No. 2 reported above in Table 2 opened February 2019 at 9595 Six Pines Drive, Suite 450, The Woodlands, Texas 77380, and is open Sunday through Thursday 8:00 am to 9:00 pm and Friday through Saturday 8:00 am to 10:00 pm.

The franchisee-owned Sweet Paris Crêperie No. 3 reported above in Table 2 opened June 2019 at 15900 La Cantera Parkway, Suite 19160, San Antonio, Texas 78256, and is open Monday through Thursday 9:00 am to 9:00 pm, Friday through Saturday 9:00 am to 10:00 pm and Sunday 9:00 am to 8:00 pm.

(4) The cost of goods sold figures include paper goods, baked goods, can and dry goods, dairy products, frozen products, meat, poultry, produce, seafood, wine and beer as well as all non-alcoholic beverages.

(5) The labor costs figures include hourly payroll, salaries, bonuses, contract labor, payroll taxes, health insurance costs and worker's compensation insurance, including the salaries of a General Manager and an Assistant Manager for each unit, but exclude the labor expenses related to our Regional Manager, Jonathan Youmans, our Regional Manager, who oversees the General Manager of each of the reported Sweet Paris Cafe locations, our Chief Development Officer / Owner Representative, Ivette Escobar and our founder and Manager Ivan Chavez. The labor costs figures do not include other forms of insurance, employee meals or other benefits.

(6) The rent expense figures include base rent and all triple net and/or common area maintenance charges attributable to the year 2020. The following expenses are included in the rent expense: repairs and maintenance, restaurant decorations, gas, electricity, water, property tax and business insurance.

(7) The other expenses category in Table 1 and Table 2 includes the following: advertising, bank charges, bank card merchant charges, computer and internet expenses, auto expenses, catering expenses, chemical purchases, repairs and maintenance, cleaning and laundry expenses, delivery fees, healthcare expenses, pest control, promotional expenses, restaurant supplies, shipping, freight and delivery, uniforms, dues and subscriptions, office expenses, general administrative expenses, charitable contributions, parking fees, security expenses, stationary and printing, travel expenses, insurance, legal and professional fees, licenses and permits, marketing, storage, franchise taxes, and utilities.

(8) The other expenses category in Table 1 and Table 2 excludes the following: franchise legal fees, franchise video expenses, bookkeeping and accounting costs, and accounting adjustment entries with respect to prior year accounting entries. For Table 2 only, we have included Royalty Fee payments in this category.

(9) Because the Sweet Paris Crêperies whose results appear above in Table 1 are affiliate-owned and operated, they paid no Royalty Fees. You must consider your Crêperie's required Royalty Fee payment (currently 5% of Gross Sales) as part of expected

operating expenses. The annual Royalty Fee that your Crêperie would have been required to pay had it achieved the median Gross Sales levels reflected in Table 1 above is identified in Table 3.

Under the Franchise Agreement, we have established a Marketing Fund into which you must contribute up to 2% (although currently 1%) of your Crêperie's monthly Gross Sales, and you must spend at least 2% of your Crêperie's annual Gross Sales on local advertising and marketing. Any amount that you are required to contribute to us toward the Marketing Fund in excess of 1% of Gross Sales will count toward your local advertising expenditure obligations.

The Marketing Fund Contribution amount in Table 3 represents the annual expense you would have been required to pay had it achieved the median Gross Sales levels reflected in Table 1 above.

The Local Advertising and Marketing amount in Table 3 represents the annual expense you would have been required to incur under the Franchise Agreement, had your Crêperie achieved the median Gross Sales levels reflected in Table 1 above. It should be noted that our affiliate-owned Sweet Paris Crêperies did spend certain amounts on promotional expenses which is reflected in Table 1.

(10) The expense figures presented above in Table 1 and 2 are also presented as a percentage of Gross Sales, and were calculated using the following formula:

$$\frac{\text{Expense Figure}}{\text{Gross Sales}}$$

(11) As indicated, you may incur bookkeeping and accounting costs not included in the above figures. Such costs associated with the above reflected Sweet Paris Crêperies are not included, as these costs are paid by a separate affiliate-owned company of ours.

(12) Historical sales, expenses, income or profit may not correspond to future sales, expenses, income and profit due to a variety of factors. A new franchisee's individual financial results may differ from the results stated in this financial performance representation.

(13) The affiliate-owned unit reported above offers substantially the same products and services to the public as you will as a franchisee operating a franchised unit. The characteristics of the above included outlets do not differ materially from those of the outlet that may be offered to a prospective franchisee.

Other than the preceding financial performance representation, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future

income, you should report it to the franchisor's management by contacting Scott Haehnel, Sweet Paris Franchise, LLC, 4400 Post Oak Parkway, Suite 2250, Houston, Texas 77027, (713) 234-6855, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20

OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

Systemwide Outlet Summary
For years 2018 to 2020

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2018	0	1	+1
	2019	1	3	+2
	2020	3	6	+3
Company-Owned	2018	2	4	+2
	2019	4	4	0
	2020	4	4	4
Total Outlets	**2018**	**2**	**5**	**+3**
	2019	**5**	**7**	**+2**
	2020	**7**	**10**	**+3**

Table No. 2

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

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Texas	2018	0
	2019	0
	2020	0
Totals	**2018**	**0**
	2019	**0**
	2020	**0**

Table No. 3

Status of Franchised Outlets
For years 2018 to 2020

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non-Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations Other Reasons	Col. 9 Outlets at End of the Year
Texas	2018	0	1	0	0	0	0	1
	2019	1	2	0	0	0	0	3
	2020	3	3	0	0	0	0	6
Totals	**2018**	**0**	**1**	**0**	**0**	**0**	**0**	**1**
	2019	**1**	**2**	**0**	**0**	**0**	**0**	**3**
	2020	**3**	**3**	**0**	**0**	**0**	**0**	**6**

Table No. 4

Status of Company-Owned or Affiliate-Owned Outlets
For years 2018 to 2020

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

Table No. 5

Projected Openings as of December 31, 2019

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlet In The Next Year	Column 4 Projected New Company-Owned Outlet In the Next Year
Texas	1	2	3
Totals	**1**	**2**	**3**

The tables above disclose outlets in the US only. As described in Item 1, we have licensed our concept to Vidanta Resorts for the operation of a Sweet Paris Crêperie in Acapulco, Mexico and Nuevo Vallarta, Nayarit, Mexico.

As of December 31, 2020, there were six franchisees in our System with outlets opened and one with no outlet opened, which are listed below.

Franchisees Operating:

Professional Creations, LLC
Carlos Rueda
23501 Cinco Ranch Blvd., #120
Katy, TX 77494
(281) 394-5995

Crepetivity LLC
Carlos Rueda
15911 City Walk
Sugar Land, TX 77478
(346) 368-2028

MRK Entities, LLC
Michael R. Kelton
9595 Six Pines Drive, Suite 450
The Woodlands, TX 77380
(281) 651-2153

MRK ATX Domain, LLC
Michael R. Kelton
11410 Century Oaks Terrace, #112
Austin, TX 78758
(512) 551-3979

Mam Goz Houston, LLC
Ludovic Legall
700 Baybrook Mall, Suite H105
Friendswood, TX 77546
251-680-9192

Texas Creperies, LLC
Rene Mathieu
Stephane Raveneau
The Shops at La Cantera
15900 La Cantera Pkwy., Suite 19160
San Antonio, TX 78256
210-561-4452

Franchise Agreement Signed but Outlet Not Yet Opened:

Sweet & Savory LLC
Dawit Soparkdithapong (aka "Dave Sopark")
Broken Arrow, OK
918-645-4999
dave.sopark@gmail.com

There have been no franchisees who were terminated, cancelled, or not renewed or otherwise voluntarily or involuntarily ceasing to do business under a Franchise Agreement with us. There are no franchisees who have not communicated with us within 10 weeks of the issuance date of this Disclosure Document.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system. No franchisees or third party operators have signed confidentiality clauses restricting their ability to speak openly about their experiences with the System. There are currently no trademark-specific franchisee organizations associated with the System.

Item 21

FINANCIAL STATEMENTS

Attached as Exhibit D are our audited financial statements for the years ending December 31, 2018, 2019 and 2020. Our fiscal year ends December 31st.

Item 22

CONTRACTS

The following contracts are attached to this Disclosure Document:

Exhibit B – Franchise Agreement, including the following agreements:

- Principal Owner's Guaranty (as Exhibit A)
- Authorization for Prearranged Payments (as Exhibit D)
- Option for Assignment of Lease (as Exhibit E)
- Franchisee Disclosure Acknowledgment Statement (as Exhibit G)

Exhibit C – Area Development Agreement, including the following agreements:

- Guaranty and Assumption of Obligations (as Exhibit C)

EXHIBIT A

STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of the franchise laws. There may be states in addition to those listed below in which we have appointed an agent for service of process.

There also may be additional agents appointed in some of the states listed.

CALIFORNIA	**CONNECTICUT**
Department of Financial Protection and Innovation: 320 West 4th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7500 Toll Free (866) 275-2677 1515 K Street, Suite 200 Sacramento, CA 95814 (916) 445-7205 1350 Front Street San Diego, CA 92101 (619) 525-4233 One Sansome Street, Suite 600 San Francisco, CA 94105 (415) 972-8559 Agent: California Commissioner of Financial Protection and Innovation	State of Connecticut Department of Banking Securities & Crêperie Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230 Agent: Banking Commissioner
HAWAII	**ILLINOIS**
Commissioner of Securities Department of Commerce and Consumer Affairs 335 Merchant Street Honolulu, Hawaii 96813 (808) 586-2744 Agent: Commissioner of Securities of the Department of Commerce and Consumer Affairs	Franchise Division Office of Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465 Agent: Illinois Attorney General

INDIANA Franchise Section Indiana Securities Division Room E-111 302 West Washington Street Indianapolis, Indiana 46204 (317) 232-6681 Agent: Indiana Secretary of State Indiana Securities Division 201 State House 200 West Washington Street Indianapolis, IN 46204 (317) 232-6531	**MARYLAND** Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360 Agent: Maryland Securities Commissioner
MICHIGAN Consumer Protection Division Antitrust and Franchise Unit Michigan Department of Attorney General 670 Law Building Lansing, Michigan 48913 (517) 373-7177 Agent: Michigan Department of Commerce Corporations and Securities Bureau P.O. Box 30054 6546 Mercantile Way Lansing, Michigan 48909	**MINNESOTA** Minnesota Department of Commerce 85 7th Place East, Suite 500 St. Paul, Minnesota 55101-2198 (651) 296-6328 Agent: Minnesota Commissioner of Commerce
NEBRASKA Nebraska Department of Banking and Finance 1200 N Street P.O. Box 95006 Lincoln, Nebraska 68509-5006	**NORTH CAROLINA** Department of the Secretary of State PO Box 29622 Raleigh, NC 27626-0622
NEW YORK Bureau of Investor Protection and Securities New York State Department of Law 23rd Floor 120 Broadway New York, New York 10271 (212) 416-8211 Agent: New York Secretary of State 162 Washington Street Albany, New York 12231 (518) 474-4750	**NORTH DAKOTA** Office of Securities Commissioner Fifth Floor 600 East Boulevard Bismarck, North Dakota 58505 (701) 328-2910 Agent: North Dakota Securities Commissioner

OREGON Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, Oregon 97310 (503) 378-4387 Agent: Director of Oregon Department of Insurance and Finance	**RHODE ISLAND** Division of Securities Suite 232 233 Richmond Street Providence, Rhode Island 02903 (401) 222-3048 Agent: Director of Rhode Island Department of Crêperie Regulation
SOUTH DAKOTA Division of Securities c/o 118 West Capitol Pierre, South Dakota 57501 (605) 773-4013 Agent: Director of South Dakota Division Securities	**TEXAS** Secretary of State P.O. Box 12887 Austin, Texas 78711
VIRGINIA State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051 Agent: Clerk of the State Corporation Commission	**WASHINGTON** Director Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, Washington 98507 (360) 902-8760 Agent: Securities Administrator, Director of Department of Financial Institutions General Admin. Bldg., 3rd Floor 210-11th Avenue, S.W. Olympia, Washington 98504
WISCONSIN Securities and Franchise Registration Wisconsin Securities Commission 201 West Washington Avenue, Suite 300 Madison, Wisconsin 53703 (608) 266-2139 Agent: Wisconsin Commissioner of Securities	

EXHIBIT B

FRANCHISE AGREEMENT

SWEET PARIS

crêperie & café

SWEET PARIS FRANCHISE, LLC

FRANCHISE AGREEMENT

_____

FRANCHISE OWNER

_____

DATE OF AGREEMENT

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SWEET PARIS FRANCHISE, LLC
FRANCHISE AGREEMENT

This Franchise Agreement (this "Agreement") is being entered as of _____, 20__ (the "Agreement Date"). The parties to this Agreement are you, _____ _____, (sometimes referred to as "Franchisee" or "Franchise Owner"), us, Sweet Paris Franchise, LLC, a Texas limited liability company (sometimes referred to as "Company") and, if you are a corporation, limited liability company or partnership, your "Principal Owners" (defined below).

1. **INTRODUCTION AND ACKNOWLEDGEMENTS**.

A. This Agreement has been written in an informal style in order to make it more easily readable and to be sure that you become thoroughly familiar with all of the important rights and obligations the Agreement covers before you sign it. If you are a corporation, limited liability company or partnership, you will notice certain provisions that are applicable to those principal shareholders, owners or partners on whose business skill, financial capability and personal character we are relying in entering into this Agreement. Those individuals will be referred to in this Agreement as "Principal Owners" and are identified on Exhibit C.

B. Through the expenditure of considerable time, effort and money, we and our affiliates have devised a system for the establishment and operation of crêperie & cafés featuring crêpes, waffles, coffees, and other specialty menu items (all of which we refer to in this Agreement as the "System"). We and our affiliates identify the System by the use of certain trademarks, service marks and other commercial symbols, including "Sweet Paris," and certain associated designs and logos, which we may change or add to from time to time (the "Marks").

C. We grant to persons who meet our qualifications franchises to own and operate Sweet Paris Crêperie & Cafés (each a "Sweet Paris Crêperie") in accordance with the System and under the Marks. This Franchise Agreement is being presented to you because of the desire you have expressed to obtain the right to develop, own and be franchised to operate a Sweet Paris Crêperie. In signing this Agreement, you acknowledge your understanding of the importance of our high standards of quality and service and the necessity of operating your Sweet Paris Crêperie in strict conformity with our standards and specifications. You also acknowledge that you have conducted an independent investigation of the Sweet Paris Crêperie business and recognize that, like any other business, the nature of it may evolve and change over time, that an investment in a Sweet Paris Crêperie involves business risks, and that the success of this business venture is primarily dependent on your business abilities and efforts.

D. We expressly disclaim making, and you acknowledge that you have not received or relied on, any guarantee, express or implied, as to the revenues, profits, or likelihood of success of the Sweet Paris Crêperie venture contemplated by this Agreement. You acknowledge that there have been no representations by us or our officers, directors, shareholders, employees, or agents, that are inconsistent with the statements made in our franchise disclosure document or the provisions of this Agreement. You further represent to us, as an inducement to our entering into this Agreement with you, that there have been no misrepresentations to us in your

application for the rights granted by this Agreement or in the financial information provided by you and your Principal Owners.

E. If you are now or at any time in the future a corporation, limited liability company or partnership, you agree and represent that:

(1) You have or will have the authority to execute, deliver and perform your obligations under this Agreement and are or will be duly organized or formed and validly existing in good standing under the laws of the state of your incorporation or formation;

(2) Your organizational documents recite or will recite that the issuance and transfer of any ownership interests in you are restricted by the terms of this Agreement, and all certificates and other documents representing ownership interests in you will bear a legend referring to the restrictions of this Agreement; and

(3) Each Principal Owner will execute an agreement in the form that we prescribe undertaking to be bound jointly and severally by all provisions of this Agreement.

2. GRANT OF FRANCHISE.

2.1 **Term**. You have applied for a franchise to own and operate a Sweet Paris Crêperie at the Premises (as defined below) and we have approved your application in reliance on all of the representations you made in that application. As a result, and subject to the provisions of this Agreement, we grant to you a franchise (the "Franchise") to operate a Sweet Paris Crêperie at the Premises (the "Crêperie"), and to use the System and the Marks in the operation of the Crêperie, for an "Initial Term" of 10 years from the Opening Date, as defined in Section 3.6, unless the Franchise is terminated earlier pursuant to the provisions of this Agreement. Termination or expiration of this Agreement will constitute a termination or expiration of your Franchise. The "Premises" of the Crêperie shall be the location identified in Exhibit B subsequent to the execution of this Agreement, upon our approval of the location and execution of the related lease or purchase contract, in accordance with Section 3.1.

2.2 **Full Term Performance**. You specifically agree to perform the obligations of this Agreement, and continuously exert your best efforts to promote and enhance the business of the Crêperie, for the full Initial Term of this Agreement.

2.3 **Site Selection Area**. You must locate and secure, through lease or purchase, subject to our approval, the Premises for the Crêperie within the area identified in Exhibit B (the "Site Selection Area"). You will be limited to locating and securing a site for the Crêperie within this Site Selection Area. You agree that the Site Selection Area is solely for the purpose of locating a site, and shall in no way be considered an exclusive or protected area for the Crêperie. In the case that another franchisee of ours has been granted franchise rights to operate a Sweet Paris Crêperie within the Site Selection Area, your Crêperie must not encroach upon such franchisee's specified protected area.

2.4 **Protected Area.** Upon your signing of this Agreement, you will receive a protected area which will be described in Exhibit B (the "Protected Area"). Except as otherwise provided in this Agreement and subject to your full compliance with this Agreement, and any other agreement between you and us or our affiliates, we will not establish or authorize any person or entity other than you to establish a Sweet Paris Crêperie in the Protected Area during the term of this Agreement.

2.5 **Reservation of Rights**. Except as provided in Section 2.4 above, the rights granted to you under this Agreement are non-exclusive, and we retain all rights within and outside the Protected Area. More specifically, we retain all rights with respect to Sweet Paris Crêperies, the Marks and the System, including (by way of example only and not as a limitation),

(a) the own, acquire, establish and/or operate and license others to establish and operate Sweet Paris Crêperies outside of the Protected Area on terms and conditions we deem appropriate, notwithstanding their proximity to the Protected Area or the Crêperie or their actual or threatened impact on sales of the Crêperie;

(b) the right to produce and sell products using the Marks or other commercial symbols through other channels of distribution pursuant to terms and conditions we deem appropriate;

(c) the right to own, acquire, establish and/or operate and license others to establish and operate Sweet Paris Crêperies or similar restaurant or Crêperie facilities at Non-Traditional Sites (as defined below) at any location within or outside the Protected Area. As used in this Agreement, "Non-Traditional Sites" shall mean outlets that serve primarily the customers located within a facility, such as captive audience facilities (examples include, but are not limited to, parks charging admission, stadiums, amusement parks and centers, theaters and art centers), limited purpose facilities (examples include, but are not limited to, airports, transportation centers, department stores, in-door shopping centers or malls, business and industrial complexes, museums, educational facilities, hospitals, art centers, and recreational parks), limited access facilities (examples include, but are not limited to, military complexes, buyer club businesses, educational facilities, business and industrial complexes), and other types of institutional accounts; and

(d) the right to own, acquire, establish and/or operate and license others to establish and operate other retail or restaurant outlets or enter into other lines of businesses offering similar or dissimilar products or services under trademarks or service marks other than the Marks.

(e) The right to (i) acquire one or more retail businesses that are the same as, or similar to, Sweet Paris Crêperies then operating under the System (each an "Acquired Business"), which may be at any location within or outside the Protected Area, notwithstanding their proximity to the Protected Area or the Crêperie or their actual or threatened impact on sales of the Crêperie, and to (ii) operate and/or license others to

operate any Acquired Business under its existing name or as a Sweet Paris Crêperie under the System

2.6 **Sales by Franchisee**. You may from the location of the Crêperie solicit and sell to customers regardless of their location, provided that you may not offer or sell any products or services at wholesale or by mail order or over the Internet or any other electronic modem, or through delivery service, or operate a catering service or off-Premises business, without our prior written consent. In the case that we provide consent to operate a catering service or off-Premises business, you may do so only in accordance with the requirements of this Agreement and the procedures and policies set forth in the Operations Manual, and only in geographical areas that we designate. You may not sell any products by mail order or over the Internet (or any other electronic modem) without our prior written consent. You acknowledge that from the location of their Sweet Paris Crêperies, the Company, its affiliates and other franchisees of the Company also may solicit and sell to customers wherever located. You shall have no rights to any such sales by us or our other franchisees.

2.7 **Renewal of Franchise**. You may, at your option, renew the Franchise for 3 additional terms of 5 years each, provided that:

(a) You have given us written notice of an election to renew not less than 6 months nor more than 12 months prior to the end of the Initial Term and any renewal term of this Agreement;

(b) You are not at such time in material breach of any of your obligations under this Agreement or any other agreement with us;

(c) You have substantially complied on a timely basis with all of the conditions and requirements of this Agreement and any other agreements with us or our affiliates throughout the terms of such agreements;

(d) You agree to remodel and redecorate the Crêperie to comply with our then current requirements for a Sweet Paris Crêperie; and

(e) Subject to applicable law, you and your owners execute a general release, in a form prescribed by us, of any claims against us and our affiliates, and our and their officers, directors, agents and employees.

Each renewal will be effectuated by execution of our then current form of franchise agreement, and all other agreements, instruments and documents then customarily used by us in granting franchises or renewal franchises for Sweet Paris Crêperies, the terms of which may differ from this Agreement, except that the term shall be as described in this Section 2.7. A renewal fee equal to 25% of our then current initial franchise fee for a Sweet Paris Crêperie franchise will be payable upon each renewal of the Franchise.

Upon receipt of your election to renew the Franchise, we agree to give you written notice of any deficiencies in the operation or historical performance of the Crêperie which could cause us not to renew the Franchise. Our notice will state what actions, if any, you

must take to correct the deficiencies in your operation of the Crêperie or in the Premises and will specify the time period in which those deficiencies must be corrected or other requirements satisfied. Renewal of the Franchise will be conditioned on your correction of all deficiencies identified in our notice and your continued compliance with all the terms and conditions of this Agreement up to the date of expiration. If we send a notice of non-renewal it will state the reasons for our refusal to renew.

3. DEVELOPMENT AND OPENING OF THE CRÊPERIE.

3.1 **Site Selection; Possession of Premises**. You shall be solely responsible for identifying, submitting for our approval, and obtaining lawful possession of the Premises for the Crêperie within the Site Selection Area. You must obtain lawful possession of the Premises through lease or purchase within 120 days after the Agreement Date. You agree that you will not execute a lease or purchase contract without our prior written approval of the location of the Premises and the terms of the lease or purchase contract, including, without limitation, landlord acceptance of our proposed façade and signage. To obtain our approval, you must submit to us, in a form specified by us, a completed site approval package, which shall include: (i) a site approval form prescribed by us; (ii) a trade area and/or site marketing research analysis (prepared by a company approved in advance by us); (iii) an option contract, letter of intent, or other evidence satisfactory to us which describes your favorable prospects for obtaining such site; (iv) photographs of the site; (v) demographic statistics; (vi) the lease or purchase contract; and (vii) such other information or materials as we may reasonably require (collectively, the "SAP"). We will have 30 days after receipt of the SAP from you to approve or disapprove, in our sole discretion, the proposed site for the Crêperie. In the event we do not approve a proposed site by written notice to you within this 30 day period, such site and lease or purchase contract shall be deemed disapproved. No site shall be deemed approved unless it has been expressly approved in writing by us. We reserve the right to disapprove a site prior to receiving an SAP from you based upon our experience and prior knowledge of the Site Selection Area. Any lease for the Premises of the Crêperie must, if we require it, permit us to take possession of the Premises under certain conditions if this Agreement expires or terminates, and shall also contain such terms and provisions as are reasonably approved by us. You must further sign and have your landlord sign the Option for Assignment of Lease, included as Exhibit E to this Agreement. You acknowledge that our approval of a site will not constitute a representation or warranty, express or implied, as to the suitability of the Premises for a Sweet Paris Crêperie or for any other purpose. You further acknowledge that neither our acceptance of the Premises nor any assistance in negotiation of the lease for the Premises constitutes any assurance that the Crêperie will be profitable or more profitable in comparison to other Sweet Paris Crêperie locations. Our acceptance and any assistance is only an indication that the Premises meets our minimum criteria.

3.2 **Prototype and Construction Plans and Specifications**. We will furnish prototype plans and specifications reflecting our requirements for design, decoration, furnishings, furniture, layout, equipment, fixtures and signs for a Sweet Paris Crêperie. We and you agree, at your own expense, to the following with respect to preparing and finalizing construction and engineering plans and specifications for the Crêperie:

(a) We will consult with our architect of choice for the purpose of designing the floorplan, kitchen layout and exterior elevations for the Premises of the Creperie, for which services the architect will charge and invoice us and we will then pass through this expense to you, which expense you shall pay us immediately upon demand, provided we reserve the right to have the architect charge and invoice you directly for such services. You agree to provide us with appropriate plans and/or "as built drawings" of the Premises for such purpose.

(b) Once we have approved of the design for the floorplan, kitchen layout and exterior elevations of the Creperie pursuant to Section 3.2(a), you will engage an architect approved in advance by us to prepare final construction plans and specifications based upon our approved design, for which services the architect will charge and invoice you directly.

(c) Simultaneously with the architect's preparation of final construction plans and specifications, you will engage an engineer(s) approved in advance by us to prepare mechanical, electrical and plumbing construction plans and all other necessary engineering related plans for the Crêperie, including but not limited to structural engineering plans, for which services the engineer(s) will charge and invoice you directly.

(d) It will be your responsibility to have all construction and engineering plans and specifications comply with all ordinances, building codes, permit requirements, and lease requirements and restrictions applicable to the Premises.

(e) You must submit final construction plans and specifications to us for approval before construction begins at the Premises, and the Crêperie must be constructed in accordance with those approved plans.

(f) You must keep us apprised of construction progress, by submitting bi-weekly (once every two weeks) photos of the Premises being built-out for the sole purpose of ensuring the Crêperie is being constructed in accordance with the construction plans and specifications and reflect our Sweet Paris Crêperie prototype design and branding standards.

(g) You expressly acknowledge and agree that our approval of construction plans and/or specifications for the Premises shall be for the sole purpose of reflecting our Sweet Paris Crêperie prototype design and branding standards. You further expressly acknowledge and agree that we shall not be liable for the negligence, defects, poor workmanship, unsatisfactory performance or the like of any architect, engineer, contractor, firm, supplier, professional or consultant retained by you, whether or not designated by us. You further expressly acknowledge and agree that we shall not be liable for price increases, increased costs or incorrect estimates made by us in connection the development of the Crêperie that are due to unforeseen circumstances and/or circumstances that are beyond our control.

(h) You expressly acknowledge and agree that we may modify the foregoing with respect to preparing and finalizing construction and engineering plans and specifications for the Crêperie from time to time. Such modifications will be provided in our Operations Manual.

3.3 **Development of the Crêperie**. You agree at your own expense to do the following within a reasonable time after you have obtained possession of the Premises but in any event by such period as may be provided in any lease we have approved:

(a) secure all financing required to fully develop the Crêperie;

(b) obtain all required building, utility, sign, health, sanitation, and business permits and any other required permits and licenses, including all liquor, wine and beer licenses;

(c) construct the Crêperie according to the construction plans and specifications we have approved;

(d) decorate the Crêperie in compliance with plans and specifications we have approved;

(e) purchase and install all required and approved equipment, furniture, fixtures and signs (the installation and use of used or second-hand equipment, furniture, fixtures and signs is prohibited);

(f) cause the training requirements of Section 4 to be completed;

(g) purchase an opening inventory of the products, beverages and other supplies and materials, including all menus and marketing materials;

(h) do any other acts necessary to open the Crêperie for business;

(i) obtain our approval to open the Crêperie for business; and

(j) open the Crêperie for business.

3.4 **Brand Technology**. You agree to use in the development and operation of the Crêperie certain brands, types, makes, and/or models of communications, management systems, computer systems and hardware, as well as software and cloud based platforms and related technology and informational systems that are designated by us, including without limitation, (i) back office computer systems, point of sale systems and cash register systems (ii) storage, retrieval, and transmission systems for data, audio (including designated music platform), video (including designated video camera system) and voice; (iii) physical, electronic, video and other security systems; (iv) printers and other peripheral devices; (v) archival back-up systems; (vi) internet access mode and speed features such as high speed broadband connectivity; (vii) software and/or cloud based platforms related to online ordering, texting communication solutions, and means of encryption; and (viii) means of providing us unlimited access to all of

the foregoing (collectively, the "Brand Technology"). You acknowledge that we may modify all aspects and the components of the Brand Technology from time to time. As part of the Brand Technology, we may require you to obtain computer hardware and/or software we specify from a single vendor designated by us, and we or our affiliates may be the sole supplier of all or any part of the Brand Technology. You agree to use only such items and services as we specify in connection with the Brand Technology. We may require that you enter into a license exclusively with us or our affiliates to use proprietary software developed by or for us. You may also be required to enter into agreements with others for use of third party software incorporated or used in connection with the Brand Technology. Our modification of such specifications or components for the Brand Technology may require you incur costs to purchase, lease and/or license new or modified computer hardware and/or software and to obtain service and support for the Brand Technology during the term of this Agreement. You acknowledge that the cost to you of obtaining the Brand Technology (including software licenses) (or additions, substitutions, replacements or modifications thereto) may not be fully amortizable over the remaining term of this Agreement. Nonetheless, you agree to incur such costs in connection with obtaining the computer hardware and software comprising the Brand Technology (or additions, substitutions, replacements or modifications thereto). You further acknowledge and agree that we have the right to charge reasonable fees for software or systems modifications and enhancements specifically made for us that are licensed to you and other maintenance and support services that we or our affiliates furnish to you related to the Brand Technology. You may also incur charges from third parties who render services or provide products that we require you to purchase or use. We shall have independent access through monitoring programs or otherwise to all information and data on your Brand Technology, including without limitation, access to (i) your sales and cost figures; (ii) your video camera system; and (iii) your music platform. There are no contractual limitations on our right or timing to access this information and data.

We may, from time-to-time, specify in the Operations Manual or otherwise in writing the information that you must collect and maintain on the Brand Technology, and you must provide to us such reports as we may reasonably request from the data so collected and maintained. All data pertaining to the Crêperie, and all data created or collected by you in connection with the System, or in connection with your operation of the Crêperie (including without limitation data pertaining to or otherwise concerning the Crêperie's customers) or otherwise provided by you (including, without limitation, data uploaded to, or downloaded from the Brand Technology) is and will be owned exclusively by us, and we will have the right to use such data in any manner that we deem appropriate without compensation to you. Copies and/or originals of such data must be provided to us upon our request. We hereby license use of such data back to you for the term of this Agreement, at no additional cost, solely for your use in connection with the business franchised under this Agreement.

You must abide by all applicable laws pertaining to privacy of information collected or maintained regarding customers or other individuals ("Privacy"), and shall comply with our standards and policies pertaining to Privacy. If there is a conflict between our standards and policies pertaining to Privacy and applicable law, you shall: (a) comply with the requirements of applicable law; (b) immediately give us written notice of such conflict; and (c) promptly and fully cooperate with us and our counsel as we may request to assist us in our determination

regarding the most effective way, if any, to meet our standards and policies pertaining to Privacy within the bounds of applicable law.

3.5 **Equipment, Furniture, Fixtures, Furnishings, Signs and Services**. You agree to use in the development and operation of the Crêperie only those brands, types, and/or models of equipment, furniture, fixtures, furnishings and signs we have approved, and also agree to purchase them from suppliers we have designated or approved. If you desire to use a supplier that we have not approved, you shall first send us sufficient information, specifications and/or samples for us to determine whether the supplier meets our approved supplier criteria. We may charge the supplier a reasonable testing fee and will decide within a reasonable time after receiving the required information whether you may purchase from such supplier. You acknowledge and agree that we may revoke approval of a supplier at any time in our sole discretion by notifying you and/or the supplier.

3.6 **Crêperie Opening**. You agree not to open the Crêperie for business until:

(a) all of your obligations under Sections 3.1 through 3.5 have been fulfilled;

(b) we determine that the Crêperie has been constructed, decorated, furnished, equipped, and stocked with materials and supplies in accordance with plans and specifications we have approved;

(c) you (or your designated Principal Owner as provided below) and your management team have completed pre-opening training to our satisfaction;

(d) the initial franchise fee and all other amounts due to us have been paid; and

(e) you have furnished us with copies of all insurance policies required by Section 10.9 of this Agreement.

The date we approve the Crêperie to open for business is referred to as the "Opening Date." We agree to provide you with 1 or more representatives from our staff for up to 7 days in duration at the Crêperie to assist you in the opening of the Crêperie. In the event you reschedule the opening of the Crêperie after we have scheduled our representative(s) to assist you with the opening, you agree to pay us a rescheduling fee equal to $500. In the event we extend the 7 day duration of opening assistance as a result of you not being satisfactorily prepared to open the Crêperie (as we determined in our sole discretion) or upon your request, you agree to pay us a fee equal to $500 for each extra day of assistance provided plus our then-current per diem charges and out-of-pocket expenses, which shall be as set forth in the Operations Manual or otherwise in writing.

You agree to conduct a grand opening advertising and marketing program for the Crêperie in compliance with a grand opening advertising and marketing plan developed by us, beginning 1 month before and continuing for up to 2 months following opening of the Crêperie intending to provide initial marketing awareness and momentum ("Grand Opening Marketing").

You agree to spend at least $7,000 on Grand Opening Marketing, which amount must be deposited with us when you sign the lease or purchase contract for the Premises. We will spend this amount on your behalf, in our sole discretion, toward Grand Open Marketing, including, without limitation, the hiring of a professional photographer and a public relations firm designated by us.

You must satisfy all of your obligations under this Section 3 including the obtaining of all licenses and permits necessary to operate the Crêperie, including all liquor, beer and wine licenses. You must obtain lawful possession of the Premises through lease or purchase within 120 days after the Agreement Date and open the Crêperie for business within 270 days after the Agreement Date, unless you obtain a written extension of such time periods from us. If you fail to satisfy the obligation to obtain lawful possession of the Premises through lease or purchase within 120 days after the Agreement Date or fail to satisfy all such obligations to open the Crêperie for business under this Section 3.6 within 270 days after the Agreement Date, we have the right to terminate this Agreement upon written notice to you.

3.7 **Relocation; Damage or Condemnation**. In the event the Crêperie is destroyed or rendered unusable by fire or other casualty, we may grant permission for the Crêperie to be repaired, restored or reconstructed at the Premises or any other agreed upon location. We may also grant you permission to relocate the Crêperie if you lose your right to occupy the Premises through no fault of your own. Any repair, restoration, reconstruction or relocation will be at your sole expense. The Crêperie, whether we grant permission for you to repair, restore, reconstruct or relocate, must be open and operating no later than 6 months after its closure. In addition, within 10 days of vacating the Crêperie, you must make such reasonable modifications to the exterior and interior of the Crêperie as we require to fully eliminate its identification and appearance as a Sweet Paris Crêperie. If you fail or refuse to fully de-identify the Crêperie to the extent and in the manner required by this Agreement, we may, at our option and in addition to other rights and remedies we may have, make the modifications that are contemplated by this Agreement on your behalf and you agree to promptly pay and reimburse us on demand for any costs incurred by us including, without limitation, the proportionate compensation of our employees who devote time and render services in the de-identification of the Crêperie. You also agree to pay us a fee on or before the Crêperie re-opens for business equal to 25% of our then current initial franchise fee in the event you relocate the Crêperie as provided in this Section 3.7.

4. TRAINING.

You acknowledge that it is very important to the operation of the Crêperie that you (or one of your Principal Owners designated by you and approved by us) and your employees receive appropriate training. To that end, you agree as follows:

(a) Before the Crêperie opens for business, you (or your designated Principal Owner) and your management team (as defined below) must attend a training program of up to 4 weeks in duration on the operation of a Sweet Paris Crêperie at the time and place we designate. The training program will include classroom instruction and Crêperie operation training and will be furnished at our training facility or other location we

designate. There will be no tuition charge for these training programs. You and your management team must complete all training to our satisfaction. For purposes of this Agreement, the term "management team" shall include your designated Principal Owner, your Designated Operator, your general manager, kitchen manager and other key employees of the Crêperie we designate from time to time.

(b) If we determine, in our sole discretion, that your management team is in need of additional on-site supervision or supplemental training, we may require that you receive such training from us at the Crêperie, in which case you agree to pay for all expenses for that training or assistance, including any reasonable per diem charges assessed by us and travel and living expenses for our Company personnel.

(c) You agree to have you (or your designated Principal Owner) and your management team and/or other employees complete additional training programs of up to 4 days per calendar year at places and times as we may reasonably request from time to time during the term of this Agreement.

(d) Your employees will be permitted to attend any other training programs, workshops, or seminars which we may offer from time to time. We may charge a fee for this additional training.

(e) You (or your designated Principal Owner) and members of your management team we designate must attend any national franchise meeting or convention sponsored by us for up to a total of 3 days per calendar year.

(f) You agree to pay all of your own (or your designated Principal Owner's) expenses and the expenses incurred by your management team and any other employees in connection with all training programs, meetings and conventions, including travel, room, board, local transportation expenses, and wages.

5. **GUIDANCE; OPERATIONS MANUAL**.

5.1 **Guidance and Assistance**. During the Initial Term, we will from time to time furnish you guidance and assistance dealing with:

(a) food preparation and presentation, packaging, sale and delivery of the products authorized for sale by the Crêperie and specifications, standards, and operating procedures used by Sweet Paris Crêperies;

(b) purchasing approved equipment, furniture, furnishings, signs, food and beverage products, operating materials and supplies;

(c) development and implementation of local advertising and promotional programs;

(d) periodic advice or guidance in the marketing, management, and operation of the Crêperie in the manner determined by us; and

(e) changes in any of the above that occur from time to time.

This guidance and assistance will, in our discretion, be furnished in the form of an operations manual (the "Operations Manual"), bulletins, written reports and recommendations, other written materials, telephone consultations, and/or personal consultations at our offices or at the Crêperie. If you request additional, special on-premises training of your personnel or other assistance in operating your Crêperie or if such training or assistance is necessitated by reason of your failure to comply with the terms of this Agreement, you agree to pay for all expenses for that training or assistance, including any reasonable per diem charges assessed by us and travel and living expenses for our Company personnel.

5.2 **Operations Manual**. We will loan to you during the Initial Term one or more copies of our Operations Manual. We may provide the Operations Manual in an electronic format on our Website to which you will be given access or via e-mail. The Operations Manual will contain mandatory and suggested specifications, standards, and operating procedures which we prescribe from time to time for Sweet Paris Crêperies, as well as information relative to other obligations you have in the operation of the Crêperie. The Operations Manual may be modified from time to time to reflect changes in the specifications, standards, operating procedures and other obligations in operating a Sweet Paris Crêperie. Revisions to the Operations Manual will be deemed effective 7 days after receipt by you, unless we specify a later effective date for a particular revision. You agree that you will not at any time copy any part of the Operations Manual, permit any part of it to be copied or disclose it to anyone not having a need to know its contents for purposes of operating your Crêperie.

5.3 **Advisory Councils**. You agree to participate in, and, if required, become a member of any advisory councils or similar organizations we form or organize for franchised Sweet Paris Crêperies, and pay any dues assessed by such organizations.

5.4 **Modification of Franchise System**. We have the right to operate, develop, and change or modify the System in any manner that is not specifically prohibited by this Agreement, as we deem appropriate, including without limitation to reflect the changing market and to meet new and changing consumer demands, and that variations and additions to the System may be required from time to time to preserve and enhance the public image of the System and operations of Sweet Paris Crêperies. Whenever we have reserved in this Agreement a right to take or to withhold an action, or to grant or decline to grant you a right to take or omit an action, we may, except as otherwise specifically provided in this Agreement, make our decision or exercise our rights based on information readily available to us and our judgment of what is in our and/or the System's best interests at the time our decision is made, without regard to either whether we could have made other reasonable or even arguably preferable alternative decisions or whether our decision promotes our financial or other individual interest. Because complete and detailed uniformity under many varying conditions might not be possible or practical, you acknowledge that we specifically reserve the right and privilege to vary the System for any franchise owner based upon the peculiarities of any condition that we consider important to that franchise owner's successful operation. You have no right to require us to grant you a similar variation or accommodation.

6. **MARKS**.

6.1 **Ownership and Goodwill of Marks**. You acknowledge that your right to use the Marks is derived solely from this Agreement and is limited to your operation of the Crêperie pursuant to and in compliance with this Agreement and all applicable standards, specifications, and operating procedures we prescribe from time to time during the term of the Franchise. If you make any unauthorized use of the Marks it will constitute a breach of this Agreement and an infringement of our rights in and to the Marks. You acknowledge and agree that all your usage of the Marks and any goodwill established by your use will inure to our benefit exclusively, and that this Agreement does not confer any goodwill or other interests in the Marks on you (other than the right to operate a Sweet Paris Crêperie in compliance with this Agreement). All provisions of this Agreement applicable to the Marks will apply to any additional trademarks, service marks, commercial symbols, designs, artwork and logos we may authorize and license you to use during the term of this Agreement.

6.2 **Limitations on Franchise Owner's Use of Marks**. You agree to use the Marks as the sole trade identification of the Crêperie, except that you will display at the Crêperie a notice, in the form we prescribe, which states that you are the independent owner of the Crêperie pursuant to a Franchise Agreement with us. You agree not to use any Mark as part of any corporate or trade name or with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos and additional trade and service marks licensed to you under this Agreement), or in any modified form, nor may you use any Mark or any commercial symbol similar to the Marks, in connection with the performance or sale of any unauthorized services or products or in any other manner we have not expressly authorized in writing. You agree to display the Marks in the manner we prescribe at the Crêperie, and in connection with advertising and marketing materials, and to use, along with the Marks, notices of trade and service mark registrations as we specify. You further agree to obtain any fictitious or assumed name registrations as may be required under applicable law.

6.3 **Online Use of Marks**. You shall not, without our prior written approval, use the Marks or any abbreviation or other name associated with us and/or the System as part of any e-mail address, domain name, and/or other identification of us and/or the System in any electronic medium. You agree not to transmit or cause any other party to transmit advertisements, solicitations, marketing information, promotional information or any other information whatsoever regarding Sweet Paris Crêperies by e-mail or any other "Electronic Media" without our prior written consent and in accordance with such specific programs, policies, terms and conditions as we may from time to time establish. Electronic Media shall include, but not be limited to, blogs, microblogs, social networking sites (such as Facebook and LinkedIn), video-sharing and photo-sharing sites (such as YouTube and Instagram), review sites (such as Yelp and Urbanspoon), marketplace sites (such as eBay and Craigslist), Wikis, chat rooms and virtual worlds.

6.4 **Notification of Infringements and Claims**. You agree to immediately notify us in writing of any apparent infringement of or challenge to your use of any Mark, or claim by any person of any rights in any Mark or similar trade name, trademark or service mark of which you became aware. You agree not to communicate with anyone except us and our counsel in

connection with any such infringement, challenge or claim. We have sole right to exclusively control any litigation or other proceeding arising out of any infringement, challenge or claim relating to any Mark. You agree to sign any documents, render any assistance, and do any acts that our attorneys say is necessary or advisable in order to protect and maintain our interests in any litigation or proceeding related to the Marks or to otherwise protect and maintain our interests in the Marks.

6.5 **Discontinuance of Use of Marks**. If it becomes advisable at any time in our sole judgment for the Crêperie to modify or discontinue the use of any Mark or for the Crêperie to use one or more additional or substitute trademarks or service marks, you agree at your expense, to comply with our directions to modify or otherwise discontinue the use of the Mark, or use one or more additional or substitute trademarks or service marks, within a reasonable time after our notice to you.

6.6 **Indemnification of Franchise Owner**. We agree to indemnify you against and to reimburse you for all damages for which you are held liable in any proceeding arising out of your use of any Mark, pursuant to and in compliance with this Agreement, and for all costs you reasonably incur in the defense of any such claim in which you are named as a party, so long as you have timely notified us of the claim and have otherwise complied with this Agreement.

7. RELATIONSHIP OF THE PARTIES; INDEMNIFICATION.

7.1 **Independent Contractor; No Fiduciary Relationship**. Both of us understand and agree that this Agreement does not create a fiduciary relationship between us, that you and we are independent contractors, and that nothing in this Agreement is intended to make either party a general or special agent, joint venturer, partner, or employee of the other for any purpose whatsoever. You agree to conspicuously identify yourself in all your dealings with customers, suppliers, public officials, Crêperie personnel, and others as the owner of the Crêperie pursuant to a franchise agreement with us, and agree to place any other notices of independent ownership on your forms, business cards, stationery, advertising, and other materials as we may require from time to time.

7.2 **No Liability, No Warranties**. We have not authorized or empowered you to use the Marks except as provided by this Agreement and you agree not to employ any of the Marks in signing any contract, check, purchase agreement, negotiable instrument or legal obligation, application for any license or permit, or in a manner that may result in liability to us for any indebtedness or obligation of yours. Except as expressly authorized by this Agreement, neither of us will make any express or implied agreements, warranties, guarantees or representations, or incur any debt, in the name of or on behalf of the other or represent that their relationship is other than that of franchisor and franchisee.

7.3 **Indemnification**. We will not assume any liability or be deemed liable for any agreements, representations, or warranties you make that are not expressly authorized under this Agreement, nor will we be obligated for any damages to any person or property directly or indirectly arising out of the Crêperie operation, your conduct of business under this Agreement, your breach of this Agreement, or your noncompliance or alleged noncompliance with any law,

ordinance, rule, or regulation, including any allegation that we or another indemnified party is a joint employer or otherwise responsible for your acts or omissions relating to your employees, whether or not caused by your negligent or willful action or failure to act. We will have no liability for any sales, use, excise, income, gross receipts, property, or other taxes levied against you or your assets or on us in connection with the business you conduct, or any payments you make to us pursuant to this Agreement or any franchise agreement (except for our own income taxes). You agree to indemnify, defend and hold us, our owners, directors, officers, affiliates, employees, agents and assignees, harmless against and to reimburse us and our owners, directors, officers, affiliates, employees, agents and assignees for all such obligations, damages, and taxes for which we or any of our owners, directors, officers, affiliates, employees, agents or assignees are held liable and for all costs reasonably incurred in the defense of any such claim brought against us or any of our owners, directors, officers, affiliates, employees, agents or assignees or in any such action in which we or any of our owners, directors, officers, affiliates, employees, agents or assignees are named as a party, including without limitation actual and consequential damages, reasonable attorneys', accountants' and expert witness fees, cost of investigation and proof of facts, court costs, costs of depositions, court reporters, videotaping and other litigation expenses and travel and living expenses. We or any of our owners, directors, officers, affiliates, employees, agents or assignees have the right to defend against any such claim. You further agree to hold us harmless and indemnify and defend us for all cost, expense or loss we incur in enforcing the provisions of this Agreement, in defending our actions taken relating to this Agreement, or resulting from your breach of this Agreement, including, without limitation, reasonable legal and attorneys' fees (including those for appeal), unless, after legal proceedings are completed, you are found to have fulfilled and complied with all of the terms of this Agreement. Your indemnification obligations described above will continue in full force and effect after, and notwithstanding, the expiration or termination of this Agreement.

8. **CONFIDENTIAL INFORMATION; NON-COMPETITION**.

8.1 **Types of Confidential Information**. We possess certain unique confidential and proprietary information and trade secrets consisting of the following categories of information, methods, techniques, products, and knowledge developed by us:

(a) recipes, proprietary products, and methods for efficiently and cost-effectively preparing and serving the products sold at Sweet Paris Crêperies;

(b) knowledge of sales and profit performance of any one or more Sweet Paris Crêperies;

(c) knowledge of test programs, concepts or results relating to menu items;

(d) sources of products;

(e) advertising and promotional programs;

(f) Sweet Paris Crêperie image and décor;

(g) the selection of Crêperie personnel;

(h) methods, techniques, formats, specifications, procedures, information, systems and knowledge of and experience in the development, operation, and franchising of Sweet Paris Crêperies; and

(i) methods of training Crêperie employees.

We will disclose much of the above-described information to you, and will do so in advising about site selection, in training, in the Operations Manual and in providing guidance and assistance to you under this Agreement. In addition, in the course of the operation of your Crêperie, you or your employees may develop ideas, concepts, methods, and techniques of improvement relating to the Crêperie which will belong to us and which you agree to disclose to us and which we may then authorize you and other Sweet Paris Crêperies to use. (Any such information disclosed to or developed by you will be referred to in this Agreement as "Confidential Information.")

8.2 **Non-Disclosure Agreement**. You agree that your relationship with us does not vest in you any interest in the Confidential Information other than the right to use it in the development and operation of the Crêperie, and that the use or duplication of the Confidential Information in any other business would constitute an unfair method of competition. You acknowledge and agree that the Confidential Information belongs to us, may contain trade secrets belonging to us and is disclosed to you or authorized for your use solely on the condition that you agree, and you therefore do agree, that you will not use the Confidential Information in any other business or capacity; will maintain the absolute confidentiality of the Confidential Information during and after the term of this Agreement; will not make unauthorized copies of any portion of the Confidential Information disclosed in written form; and will adopt and implement all reasonable procedures we may prescribe from time to time to prevent unauthorized use or disclosure of the Confidential Information.

8.3 **Exclusive Relationship**. You agree that we would be unable to protect the Confidential Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among Sweet Paris Crêperies if franchise owners of Sweet Paris Crêperies were permitted to hold interests in any competitive businesses, as described below. Therefore, during the term of this Agreement, neither you, nor any Principal Owner, nor any member of your immediate family or of the immediate family of any Principal Owner shall perform services for or have any direct or indirect interest as a disclosed or beneficial owner, investor, partner, director, officer, employee, manager, consultant, representative or agent in any Competitive Business. For purposes of this Agreement, "Competitive Business" shall mean any restaurant or food service business which offers crêpes or waffles as a primary menu item and/or any restaurant or food service business that is the same as or similar to a Sweet Paris Crêperie. (The ownership of 5% or less of a publicly traded company will not be deemed to be prohibited by this Section).

9. **FEES**.

9.1 **Initial Franchise Fee**. You agree to pay us an initial franchise fee of $45,000 (the "Initial Franchise Fee") when you sign this Agreement. In recognition of administrative and

other expenses incurred by us in granting this Franchise and of our lost opportunity to negotiate with others for this Franchise, you agree that we will have fully earned the Initial Franchise Fee and that it becomes non-refundable on final execution of this Agreement.

9.2 **Royalty Fee**. You agree to pay us a Royalty Fee (the "Royalty Fee") in the amount of 5% of the Gross Sales of the Crêperie. The Royalty Fee shall be paid by you to us on the 3rd business day after the close of the sales week as designated by us (or such other date as we may otherwise prescribe in the Operations Manual or in writing to you), on Gross Sales of the Crêperie for such week.

9.3 **Gross Sales**. The term "Gross Sales" means all revenue from the sale of all services and products and all other income of every kind and nature related to the Crêperie or premises, including proceeds of any business interruption insurance policies and proceeds from the use of Gift Cards (as defined herein) to purchase food, beverages, or any other products and services, the sale of any promotional or premium items, whether for cash or credit, and regardless of collection in the case of credit, including all revenue from the sale of food and beverages sold to employees, and the gross sales amount of all food and beverages provided to all other individuals on a complimentary basis by the Crêperie. Gross Sales shall not include (i) any sales taxes or other taxes collected from customers by you for transmittal to the appropriate taxing authority and (ii) the amount of actual, documented refunds and credits made to customers in good faith (if those amounts were originally included in calculating Gross Sales).

If a state or local law in which the Crêperie is located prohibits or restricts in any way your ability to pay and our ability to collect the Royalty Fee, Marketing Fee, or other amounts based on Gross Sales derived from the sale of alcoholic beverages at the Crêperie, then we and you shall increase the percentage rate for calculating the Royalty Fee and Marketing Fee, and change the definition of Gross Sales to exclude sales of alcoholic beverages, in a manner such that the Royalty Fee and Marketing Fee to be paid by you, and received by us, shall be equal to such amounts as you would have been required to pay, and we would have received, if sales from alcoholic beverages were included in Gross Sales.

9.4 **Marketing Fees**. You agree to pay us a marketing fee (the "Marketing Fee") toward the Marketing Fund for marketing, advertising and promotional programs (described in Section 11.1) in an amount equal to 1% of the Gross Sales of the Crêperie, payable with, and in the same manner as, your Royalty Fee described above, provided we reserve the right upon written notice to you to increase the Marketing Fee up to an amount equal to 2% of the Gross Sales of the Crêperie or the then current Marketing Fee we are charging or authorized to charge new franchisees, whichever is greater. Any increase or decrease in the Marketing Fee will become effective upon notification to you from us of any such increase or decrease.

9.5 **Electronic Funds Transfer**. We have the right to require you to participate in an electronic funds transfer program under which Royalty Fees and Marketing Fees (and any other fee dues under the Agreement) are deducted or paid electronically from your bank account (the "Account"). In the event you are required to authorize us to initiate debit entries, you agree to make the funds available in the Account for withdrawal by electronic transfer no later than the due date for payment and execute our current form of "Authorization Agreement for Prearranged

Payments," a copy of which is attached to this Agreement as Exhibit D. The amount actually transferred from the Account to pay Royalty Fees and Marketing Fees will be based on the Crêperie's Gross Sales reported to us. If you have not reported the Gross Sales of the Crêperie to us for any reporting period, we will be authorized to debit the Account in an amount equal to the Royalty Fee transferred from the Account for the last reporting period for which a report of the Gross Sales of the Crêperie was provided to us. If at any time we determine that you have under-reported the Gross Sales of the Crêperie or underpaid Royalty Fees or Marketing Fees due us under this Agreement, or owe us any other fee under this Agreement, we will be authorized to initiate immediately a debit to the Account in the appropriate amount in accordance with the foregoing procedure, including interest as provided for in this Agreement. An overpayment will be credited to the Account through a credit effective as of the first reporting date after we and you determine that such credit is due. Our use of electronic funds transfers as a method of collecting Royalty Fees and Marketing Fees due us does not constitute a waiver of any of our obligations to provide us with weekly sales reports as provided in Section 12 nor shall it be deemed a waiver of any of the rights and remedies available to us under this Agreement.

9.6 **Interest on Late Payments**. All Royalty Fees, Marketing Fees, amounts due from you for purchases from us or our affiliates, and other amounts which you owe us or our affiliates (unless otherwise provided for in a separate agreement between us or our affiliates) will begin to accrue interest after their respective due dates at the highest applicable legal rate for open account business credit, or if there is no maximum, at the rate of 1.5% per month. (You acknowledge that the inclusion of this Section in this Agreement does not mean we agree to accept or condone late payments, nor does it indicate that we have any intention to extend credit to, or otherwise finance your operation of the Crêperie.) We shall have the right to require that any payments due us or our affiliates be made by certified or cashier's check in the event that any payment by check is not honored by the bank upon which the check is drawn. Payments due us or our affiliates shall not be deemed received until such time as funds from the deposit of any check by us or our affiliates is collected from your Account.

9.7 **Application of Payments**. When we receive a payment from you, we have the right, in our sole discretion, to apply it as we see fit to any past due indebtedness of yours due to us or our affiliates, whether for Royalties Fees, Marketing Fees, purchases, interest, or for any other reason, regardless of how you may designate a particular payment to be applied. You expressly acknowledge and agree that your obligations for the full and timely payment of the Royalty Fee and Marketing Fee (and all other amounts provided for in this Agreement) shall be absolute, unconditional, fully earned, and due upon your generation and receipt of Gross Sales. You shall not for any reason delay or withhold the payment of all or any part of those or any other payments due hereunder, put the same in escrow or set-off same against any claims or alleged claims you may allege against us or the System or others. You shall not, on grounds of any alleged non-performance by us or others, withhold payment of any fee, including, without limitation, Royalty Fees or Marketing Fees, nor withhold or delay submission of any reports due hereunder including, but not limited, to sales reports.

10. **CRÊPERIE OPERATING STANDARDS**.

10.1 **Importance of Uniformity**. By signing this Agreement, you indicate that you understand and acknowledge that every detail of the Crêperie is important – not only to you, but to us and to other Sweet Paris Crêperie franchisees – in order to develop and maintain high and uniform operating standards, to increase the demand for the products and services sold by all franchisees, to establish and maintain a reputation for operating uniform, efficient, high quality Crêperies, and to protect the goodwill of all Sweet Paris Crêperies. You also acknowledge that a fundamental requirement of the System, this Agreement, and other Sweet Paris Crêperie franchises is adherence by all franchisees to the Company's uniform standards and policies, except for certain regional or individual differences we may from time to time approve or require.

10.2 **Condition and Appearance of the Crêperie**. You agree that:

(a) neither the Crêperie nor the Premises will be used for any purpose other than the operation of a Sweet Paris Crêperie in compliance with this Agreement;

(b) you will maintain the condition and appearance of the Crêperie, its equipment, furniture, furnishings, signs, and the Premises in accordance with our standards and consistent with the image of a Sweet Paris Crêperie as an efficiently operated business offering high quality products and services, and observing the highest standards of cleanliness, sanitation, efficiency, courteous service and fun ambiance, and in connection will take, without limitation, the following actions during the term of this Agreement: (1) thorough cleaning, repainting and redecorating of the interior and exterior of the Premises at reasonable intervals; (2) interior and exterior repair of the Premises; and (3) repair or replacement of damaged, worn out or obsolete equipment, furniture, furnishings and signs;

(c) you will not make any material alterations to the Premises, or to the appearance of the Crêperie, as originally developed, without our advance approval;

(d) you will replace or add new equipment when we reasonably specify in order to meet changing standards;

(e) on notice from us, you will engage in remodeling, expansion, redecorating, re-equipping and/or refurnishing of the Premises and the Crêperie to reflect changes in the operations of Sweet Paris Crêperies which we prescribe and require of new franchisees, provided that no material changes shall be required more than every 5 years, and you will not be required to spend more than $150,000 on such changes every 5 years, and provided further that we will not require that you undertake such changes unless we have completed or undertaken a plan to complete the proposed changes in at least 50% of all similarly Company or affiliate-owned Sweet Paris Crêperies (all actual changes will be subject to our approval);

(f) you will place or display at the Premises (interior and exterior) only those signs, emblems, designs, artwork, lettering, logos, and display and advertising materials that we from time to time approve; and

(g) if at any time in our reasonable judgment, the general state of repair, appearance or cleanliness of the Premises, Crêperie or its fixtures, equipment, furniture or signs do not meet our standards, we have the right to notify you, specifying the action you must take to correct the deficiency.

10.3 **Menu Items and Service Methods**. You agree that:

(a) the Crêperie will offer for sale all menu items directed by us from time to time, and other products and services that we from time to time authorize;

(b) the Crêperie will offer and sell approved products and services only in the manner we have prescribed;

(c) you will not offer for sale or sell at the Crêperie, the Premises or any other location any menu items or other products or services we have not approved;

(d) you will discontinue selling and offering for sale any products or services that we at any time decide (in our sole discretion) to disapprove in writing;

(e) you will maintain sound and lighting at volume and intensity levels we specify from time to time;

(f) you will maintain an inventory of approved products, beverages, ingredients and other products sufficient in quantity and variety to realize the full potential of the Crêperie; and

(g) you will not operate a catering service or off-Premises business or offer such services, without our prior written consent. In the case that we provide consent to operate a catering service or off-Premises business, you may do so only in accordance with the requirements of this Agreement and the procedures and policies set forth in the Operations Manual, and only in geographical areas that we designate. We currently require that you operate the Crêperie in accordance with our standards, policies and procedures for a period of 6 months prior to requesting our consent to operate a catering service or off-Premises business, provided this requirement is subject to modification. If we grant you this consent, you will be required to purchase a catering/delivery vehicle of the make, color and model with signage wrap that we specify in the Operations Manual or otherwise in writing, in addition to all required equipment and small wares.

(h) we reserve the right to require that you hire a dedicated catering manager, based upon factors we determine in our sole discretion.

(i) you will not host Private Events on the Premises of the Crêperie or off-Premises, without our prior written consent. We determine what constitutes a "Private

Event" in our sole discretion. In the case that we provide consent to host a Private Event, you may do so only in accordance with the requirements of this Agreement and the procedures and policies set forth in the Operations Manual.

(j) you will acquire and use the audio systems we require at Sweet Paris Crêperies, including the type and content of music played at the Crêperie.

We may, from time to time, conduct market research and testing to determine consumer trends and the saleability of new products and services. You agree to cooperate by participating in our market research programs, and by providing us with timely reports and other relevant information regarding that market research. In connection with any such test marketing, you agree to purchase a reasonable quantity of the tested products and effectively promote and make a reasonable effort to sell them.

10.4 **Approved Suppliers**. The reputation and goodwill of Sweet Paris Crêperies is based on, and can be maintained only by, the sale of distinctive, high quality food and beverage products, and the preparation and presentation of those products in an efficient and appealing manner. We have developed or may develop various unique products which may be prepared by or for us according to our secret recipes and formulas. We have also developed standards and specifications for menu items, ingredients, beverages, materials and supplies incorporated in or used in the preparation, presentation and delivery of prepared food and beverage products authorized for sale at Sweet Paris Crêperies. We have and will continue to periodically approve suppliers and distributors of the above products that meet our standards and requirements, including, without limitation, standards and requirements relating to product quality, prices, consistency, reliability, financial capability, labor relations and customer relations. We may also approve certain suppliers of services necessary for the development and operation of Sweet Paris Crêperies, including, without limitation, Brand Technology services, architect and engineering services, insurance services, real estate leasing services, merchant services and linen services.

We may approve a single distributor or other supplier (collectively "supplier") for any product or service (which may be us or our affiliates) and may approve a supplier only as to certain products or services. You agree that the Crêperie will:

(a) purchase products for sale from the Crêperie in such quantities as we designate;

(b) utilize such formats, formulas and containers for products as we prescribe; and

(c) purchase all products, services, beverages, menus, serving baskets, plates, napkin, glassware, flatware, paper and plastic products, packaging or other materials, and utensils only from distributors and other suppliers we have approved.

We may concentrate purchases with one or more suppliers to obtain lower costs and prices or the best advertising support or services for any group of Sweet Paris Crêperies franchised or operated by us or our affiliates. Approval of a supplier may be conditioned on

requirements relating to the frequency of delivery, concentration of purchases, standards of service, including prompt attention to complaints, or other criteria and may be temporary, pending our continued evaluation of the supplier from time to time.

If you would like to purchase any items from any unapproved supplier for products or services that are not exclusively available from us, our affiliates or a designated supplier, you must submit to us a written request for approval of the proposed supplier. (Or the proposed supplier may submit its own request.) We have the right to inspect the proposed supplier's facilities, and to require product samples from the proposed supplier to be delivered at our option either directly to us or to any independent, certified laboratory which we designate for testing. Either you or the proposed supplier must pay us a fee (not to exceed the reasonable cost of the inspection and the actual cost of the test) to make the evaluation. We reserve the right to periodically re-inspect the facilities and products of any approved supplier and to revoke our approval if the supplier does not continue to meet any of our criteria. (Please note: Do not construe the new-supplier approval process just explained as requiring us to approve any proposed supplier.)

We reserve the right to retain any rebates, commissions or similar payments paid by third-party suppliers on products or services sold to Sweet Paris Crêperies.

10.5 **Hours of Operation**. You agree to keep the Crêperie open for business at such times and during such hours as we may prescribe from time to time.

10.6 **Specifications, Standards and Procedures**. You agree to comply with all mandatory specifications, standards, and operating procedures relating to the appearance, function, cleanliness, sanitation and operation of a Sweet Paris Crêperie. Mandatory specifications, standards, and operating procedures we prescribe from time to time in the Operations Manual, or otherwise communicated to you in writing, will constitute provisions of this Agreement as if fully set forth in this Agreement. All references to "this Agreement" include all such mandatory specifications, standards, and operating procedures.

10.7 **Compliance with Laws and Good Business Practices**. You agree to secure and maintain in force in your name all required licenses, permits, and certificates relating to the operation of the Crêperie, including all liquor licenses. You also agree to operate the Crêperie in full compliance with all applicable laws, ordinances, and regulations, including, without limitation, all government regulations relating to worker's compensation insurance, unemployment insurance, and withholding and payment of federal and state income taxes, social security taxes and sales taxes.

All advertising you employ must be completely factual, in good taste (in our judgment), and must conform to the highest standards of ethical advertising. You agree that in all dealings with us, your customers, your suppliers, and with public officials, you will adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You further agree to refrain from any business or advertising practice which may be harmful to the business of the Company and the goodwill associated with the Marks and other Sweet Paris Crêperies.

You must notify us in writing within 5 days of the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental unit, which may adversely affect your operation or financial condition or that of the Crêperie, or of any notice of violation of any law, ordinance, or regulation relating to health or safety.

10.8 **Management and Personnel of the Crêperie**. The Crêperie at all times must be under the direct, on-premises supervision of you (or your designated Principal Owner that we approve) or your Designated Operator (as defined below) and a management team which has completed our required training programs, all of whom devote full time and efforts to the management of the Crêperie. The designated Principal Owner we approve shall have at all times at least a 10% ownership interest in you. You agree to be solely responsible for all employment decisions and functions of the Crêperie, including those related to hiring, training, firing, wage and hour requirements, recordkeeping, supervision, and discipline of employees, in addition to compliance with all applicable federal, state, and local laws, rules and regulations. You agree to establish at the Crêperie a training program for all employees using our Operations Manual. You agree to require all employees to maintain a neat and clean appearance and to conform to the standards of dress and/or uniforms we specify from time to time for Sweet Paris Crêperies. All employees shall render prompt, efficient and courteous service to all customers of the Crêperie. Your "Designate Operator" must be experienced in food service operations and subject to our approval. In the event you appoint a Designated Operator for the direct, on-premises supervision of the Crêperie, he or she must have at all times at least a 10% ownership interest (or other equity agreement, subject to our approval) in you. The Designated Operator must complete all training programs that we require to our satisfaction. You and your management team must utilize the System email accounts or addresses provided by us when conducting business in connection with the Crêperie. Such email accounts or addresses shall be used for no other purpose. You acknowledge that we will maintain ownership of all email accounts and addresses provided to you and your management team, including all contents and associated files of such email accounts and addresses, and further that we will have the unlimited right to actively review and monitor each such email account and address at our discretion.

10.9 **Insurance**. Prior to the opening of the Crêperie to the public, you must obtain insurance coverage that we designate from time to time, including general liability, liquor liability, business interruption, property damage and worker's compensation insurance. We may periodically increase or decrease the amounts of coverage required under these insurance policies and require different or additional kinds of insurance at any time, including excess liability insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. Each insurance policy must name us (and, if we request it, our directors, employees, owners and affiliates) as an additional insured and must provide us with 30 days advance written notice of any material modification, cancellation, or expiration of the policy. You must maintain these policies in force during the entire term of this Agreement. Before the expiration of the term of each insurance policy, you must furnish us with a copy of each policy you are to maintain for the upcoming term, along with evidence of the payment of the premium for each. Your obligation to maintain insurance coverage as described in this Agreement will not be reduced in any manner by reason of any

separate insurance we maintain on our own behalf, nor will our maintenance of that insurance relieve you of any obligations under Section 7 of this Agreement.

10.10 **Participation in Promotions**. You agree to participate in promotional programs developed by us for the System, in the manner directed in the Operations Manual or otherwise in writing. In no way limiting the foregoing, you agree that if required by us:

(a) You shall participate in all programs, offers and services for loyal/frequent customers and other categories, which may include providing discounts.

(b) You shall offer any and all specialty menu crepes or waffles.

(c) You shall participate in all charitable donation and/or alliance programs.

(d) In no way limiting this Section 10.10, you must contribute to, participate in, and/or endorse a local charity(ies) approved by us within your market area which supports underprivileged children, as we direct in the Operations Manual or otherwise in writing. Any monetary contributions made in accordance with this Section 10.10 (d) will apply towards your marketing, advertising and promotional spending requirements in your local market area under Section 11.2.

(e) You shall sell or otherwise issue gift cards or certificates (together "Gift Cards") that have been prepared utilizing the standard form of Gift Card provided or designated by us, and only in the manner specified in the Operations Manual or otherwise in writing. You shall fully honor all Gift Cards that are in the form provided or approved by us regardless of whether a Gift Card was issued by you or another Sweet Paris Crêperie. You shall sell, issue, and redeem (without any offset against any Royalty Fee, Marketing Fee or other required payment) Gift Cards in accordance with procedures and policies specified by us in the Operations Manual or otherwise in writing, including those relating to procedures by which we shall request reimbursement for Gift Cards issued by other Sweet Paris Crêperies and for making timely payment to us, other operators of Sweet Paris Crêperies, or a third-party service provider for Gift Cards issued from the Crêperie that are honored by us or other Sweet Paris Crêperie operators. In no way limiting the foregoing, you expressly understands and acknowledges that we will control all revenue received through the sale or issuance of Gift Cards regardless of whether such Gift Cards were sold or issued by you or us, and you are not entitled to any of this revenue unless a Gift Card is redeemed in the Crêperie. All unredeemed Gift Card revenue received by us shall inure solely and exclusively to our benefit.

10.11 **Mystery Shopper Program**. We may, from time to time, conduct or cause to be conducted mystery shopper programs to determine customer satisfaction with Sweet Paris Crêperies. You agree to reimburse us for your allocable share of the expenses we incur or our authorized representatives incur in administering and conducting the mystery shopper programs.

10.12 **Quality Assurance Programs**. We may engage a third party vendor to conduct quality assurance inspections or visits of Sweet Paris Crêperies. If we do, you agree to reimburse us for your allocable share of the cost of any such programs.

10.13 **Credit Cards and Other Methods of Payment**. You must at all times have arrangements in existence with credit and debit card issuers or sponsors and electronic fund transfer systems that we designate from time to time in the Operations Manual or otherwise in writing in order that the Crêperie may accept customers' credit and debit cards and other methods of payment.

10.14 **Pricing**. We reserve the right, to the fullest extent allowed by applicable law, to establish maximum, minimum, or other pricing requirements with respect to the prices you may charge for products and services, including pricing we prescribe from time to time for any national, regional or local advertising or promotion.

11. MARKETING.

11.1 **By Company**. As stated earlier, due to the value of marketing and the importance of promoting the public image of Sweet Paris Crêperies, we will maintain and administer one or more national or regional advertising fund(s) (the "Marketing Fund"). In Section 9.4, you agreed to contribute to that Marketing Fund. We agree that the Sweet Paris Crêperies owned by us and our affiliates may, in our sole judgment, contribute to the Marketing Fund on the same basis as you do.

We will be entitled to direct all marketing, advertising and promotion administered by the Marketing Fund, with sole discretion over the creative concepts, materials, and endorsements used in them. You agree that the Marketing Fund may be used to meet any and all costs of maintaining, administering, directing, conducting, and preparing marketing, advertising, public relations, and/or promotional programs and materials, and any other activities including socially responsible and charitable activities, which we believe will enhance the image of the System, including, among other things, the costs of preparing and conducting media marketing campaigns; direct mail advertising; internet and social media advertising and marketing; website development/maintenance, providing System email accounts, and search engine optimization; marketing surveys and other public relations activities; employing assistance of advertising and/or public relations agencies; sponsorship of organizations and events; purchasing promotional items; conducting and administering in-store promotions; and providing promotional and other marketing materials and services to the Sweet Paris Crêperies operating under the System. Any modifications or customizations to these materials made by you shall require our prior written approval. You further agree that the Marketing Fund may be used for the protection of the Sweet Paris Crêperies brand, trademarks, trade secrets, trade dress and the like, including, without limitation, in connection with all legal proceedings and actions such as trademark disputes, cease and desist letters, restraining orders, injunctions and other legal proceedings in defense and protection of the Sweet Paris Crêperies brand.

The Marketing Fund will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for any reasonable salaries,

administrative costs and overhead we may incur in activities reasonably related to the administration of the Marketing Fund and its marketing, advertising and promotional programs (including, without limitation, conducting market research, preparing advertising and marketing materials, and collecting and accounting for contributions to the Marketing Fund). We may spend in any fiscal year an amount greater or less than the total contribution of Sweet Paris Crêperies to the Marketing Fund in that year. We may cause the Marketing Fund to borrow from us or other lenders to cover deficits of the Marketing Fund or cause the Marketing Fund to invest any surplus for future use by the Marketing Fund. All interest earned on monies contributed to the Marketing Fund will be used to pay costs of the Marketing Fund before other assets of the Marketing Fund are expended. We will prepare an annual unaudited statement of monies collected and costs incurred by the Marketing Fund and will make it available to you on written request.

You understand and acknowledge that the Marketing Fund is intended to maximize recognition of the Marks and patronage of Sweet Paris Crêperies. Although we will endeavor to use the Marketing Fund to develop advertising and marketing materials for the System, we undertake no obligation to ensure that expenditures by the Marketing Fund in or affecting any geographic area are proportionate or equivalent to contributions to the Marketing Fund by Sweet Paris Crêperies operating in that geographic area or that any Sweet Paris Crêperie will benefit directly or in proportion to its contribution to the Marketing Fund from the development of advertising and marketing materials. Except as expressly provided in this Section 11.1, we assume no direct or indirect liability or obligation to you with respect to the maintenance, direction, or administration of the Marketing Fund. Your contributions to the Marketing Fund are not refundable under any circumstance.

We shall have the right to terminate the Marketing Fund by giving you 30 days' prior written notice. All unspent monies on the date of termination shall be divided between the Company and franchisees in proportion to our and their respective contributions. At any time thereafter, we shall have the right to reinstate the Marketing Fund under the same terms and conditions as described in this Section 11.1 (including the rights to terminate and reinstate), by giving you 30 days' prior written notice of reinstatement.

11.2 **By Franchise Owner**. During the term of this Agreement, you shall spend annually (or during such other period we designate) at least 2% of your Gross Sales on marketing, advertising and promotion in your local market area, provided that any amount you are required to contribute to us in excess of 1% of the Gross Sales of the Crêperie for the Marketing Fee will count toward your expenditure obligations under this Section 11.2. In addition, you agree to list and advertise the Crêperie in online directories, as we may prescribe from time to time.

On each occasion before you use them, samples of all local marketing, advertising and promotional materials not prepared or previously approved by us must be submitted to us for approval. If you do not receive our written disapproval within 15 days from the date we receive the materials, the materials will be deemed to have been approved. You agree not to use any marketing, advertising or promotional materials that we have disapproved. Within 30 days following the end of each calendar year (and any interim periods as we may otherwise prescribe),

you agree to submit to us a marketing expenditure report accurately reflecting your local marketing, advertising and promotional expenditures for the preceding year (or other periods we prescribe).

We will require that you utilize a public relations promotional strategy to market the Crêperie as part of your Grand Opening Marketing and on an ongoing basis. In the case of any public relations promotion, you shall not act as the spokesperson for the Company or the Crêperie. We will provide a Company representative to act as the public relations spokesperson who will be responsible for conducting all media interviews on behalf of you, the Company and the Crêperie.

11.3 **Local and Regional Advertising Cooperatives**. We reserve the right to require that you participate in local and regional advertising cooperatives in connection with the marketing, advertising and promotional programs administered by us or by other Sweet Paris Crêperie franchisees. You agree to pay any contributions that we require you to make for expenditure by these local or regional advertising cooperatives or that may be otherwise approved by these cooperatives, provided that you will not be obligated to pay more than 2% of the Gross Sales of the Crêperie to such cooperatives. Any contribution you are required to make to any local or regional advertising cooperatives will count toward your expenditure obligations under Section 11.2.

11.4 **Websites**. You acknowledge and agree that any Website (as defined below) will be deemed "advertising" under this Agreement, and will be subject to, among other things, our approval under this Section 11.4. As used in this Agreement, the term "Website" means an interactive electronic document, contained in a network of computers linked by communications software, that you operate or authorize others to operate and that refers to the Crêperie, the Marks, us, and/or the System. The term "Website" includes, but is not limited to, Internet and World Wide Web home pages. In connection with any Website, you agree to the following:

(a) You will not establish or use any Website without our prior written approval.

(b) Before establishing any Website we approve, you will submit to us a sample of the Website format and information in the form and manner we may reasonably require.

(c) In addition to any other applicable requirements, you will comply with our standards and specifications for Websites as we prescribe in the operating materials or otherwise in writing, including elements and features placed on the Website. If we require, you will establish your Website as part of our website and/or establish electronic links to our website.

(d) If you propose any material revision to the Website or any of the information contained in the Website, you will submit each such revision to us for our prior written approval.

Any costs you may incur relating to creating, hosting or updating any Website will not be considered local advertising for purposes of your local advertising responsibilities, provided that we may use funds in the Marketing Fund to offset the cost of any Website.

12. **ACCOUNTING, REPORTS AND FINANCIAL STATEMENTS**.

(a) You agree to keep full and accurate books of account and other records reflecting the results of operation of the Crêperie on a calendar year basis (or, if we request, consistent with our yearly accounting periods) in a format we prescribe. You agree to establish and maintain at your own expense a bookkeeping, accounting, and recordkeeping system conforming to the requirements, data processing and cash register systems and formats we prescribe from time to time, including our standard chart of accounts. These systems may include capability of being polled by our central Brand Technology. With respect to the operation and financial condition of the Crêperie, you agree to furnish us in the form we prescribe from time to time:

(b) if we request it daily, an e-mail report of the Gross Sales for the preceding day;

(c) by the 3rd business day after the close of the sales week as designated by us an e-mail report of the Gross Sales of the Crêperie for such sales week and any other data, information, and supporting records that we reasonably require;

(d) by the 10th day following each month (or the 4-week accounting period prescribed by us), a profit and loss statement for that accounting period and a year to date profit and loss statement and balance sheet;

(e) within 120 days after the end of each calendar year (or, if we request, our yearly accounting period), a year-end balance sheet and an annual profit and loss statement for that year, reflecting all year-end adjustments; and

(f) such other sales reports and information as we shall reasonably prescribe from time to time for any reporting period or otherwise.

You must specify and sign each report and financial statement required by this Section in the manner we prescribe. You agree to maintain and furnish, if we request it, complete copies of federal and state income tax returns you file with the Internal Revenue Service and state tax departments reflecting sales and income of the Crêperie or the corporation, limited liability company or partnership that holds the Franchise. We reserve the right to require you to have audited or reviewed financial statements prepared by a certified public accountant on an annual basis.

13. **INSPECTIONS AND AUDITS**.

13.1 **Company's Right to Inspect the Crêperie**. To determine whether you and the Crêperie are complying with this Agreement, and with specifications, standards, and operating

procedures we prescribe for the operation of Sweet Paris Crêperies, we or our agents have the right, at any reasonable time and without advance notice to you, to:

(a) inspect the Premises;

(b) observe the operations of the Crêperie for such consecutive or intermittent periods as we deem necessary;

(c) interview personnel of the Crêperie;

(d) interview customers of the Crêperie; and

(e) inspect and copy any books, records and documents relating to the operation of the Crêperie.

You agree to fully cooperate with us in connection with any of those inspections, observations and interviews. You agree to present to your customers any evaluation forms we periodically prescribe and agree to participate and/or request your customers to participate in any surveys performed by or on our behalf. In no way limiting the foregoing, we may require that you provide us with "view only" access to your operating bank account for the Crêperie.

13.2 **Company's Right to Audit**. We have the right at any time during business hours, and upon 24 hours' notice to you, to inspect and audit, or cause to be inspected and audited, the business records, bookkeeping and accounting records, sales and income tax records and returns and other records of the Crêperie and the books and records of any corporation, limited liability company or partnership which holds the Franchise. You agree to fully cooperate with our representatives and independent accountants we may hire to conduct any inspection or audit. If the inspection or audit is made necessary by your failure to furnish the reports, supporting records, other information or financial statements, required by this Agreement, or to furnish those reports, records, information or financial statements on a timely basis, or if an understatement of Gross Sales for any period is determined by an audit or inspection to be greater than 2%, you agree to pay us all monies owed, plus interest, and reimburse us for the cost of such inspection or audit, including, without limitation, the charges of attorneys and any independent accountants, and the travel expenses, room and board and applicable per diem charges for our employees. The above remedies are in addition to all our other remedies and rights under this Agreement or under applicable law.

14. TRANSFER REQUIREMENTS.

14.1 **Interests in Franchise Owner**. You and each Principal Owner represent, warrant and agree that all Interests in Franchise Owner are owned in the amount and manner disclosed to us in Exhibit C and that no change will be made in the ownership of an Interest other than as expressly permitted by this Agreement or as we may otherwise approve in writing. You and each Principal Owner agree to furnish us with evidence as we may request from time to time to assure ourselves that the Interests in Franchise Owner remain as permitted by this Agreement, including a list of all persons owning any Interest. No Interest in Franchise Owner will, during the term of this Agreement, be "public securities" (i.e., securities which require, for their

issuance, registration with any state or federal authority). An "Interest" is defined to mean any shares, partnership or other ownership interests in or of Franchise Owner and any other equitable or legal right in any of Franchise Owner's stock, revenues, profits, rights or assets.

You and each Principal Owner represent, warrant and agree, except as otherwise permitted in Section 14.3, that neither the Crêperie, its assets, this Agreement nor any Interest of a Principal has or will be given as security or pledged for any obligation.

14.2 **Transfer by Company**. This Agreement is fully transferable by us, without the need for your consent, and will inure to the benefit of any person or entity to whom it is transferred, or to any other legal successor to our interests in this Agreement.

14.3 **No Transfer Without Approval**. You understand and acknowledge that the rights and duties created by this Agreement are personal to you and your Principal Owners and that we have entered into this Agreement in reliance on the individual or collective character, skill, aptitude, attitude, business ability, and financial capacity of you and your Principal Owners. Accordingly, neither this Agreement, the Crêperie, nor any Interest of a Principal Owner, may be transferred without our advance written approval. Any Transfer that is made without our approval will constitute a breach of this Agreement and convey no rights to or interests in this Agreement, in you, or in the Crêperie.

As used in this Agreement, the term "Transfer" means any voluntary, involuntary, direct or indirect assignment, sale, gift, exchange, grant of a security interest in this Agreement, the Crêperie or its assets, or the occurrence of any event which would or might change the ownership of any Interest, and includes, without limitation:

(a) Transfer of ownership of capital stock, partnership interest or other ownership interests;

(b) merger or consolidation, or issuance of additional securities representing an ownership interest in Franchise Owner;

(c) sale of common stock of Franchise Owner sold pursuant to a private placement or registered public offering;

(d) Transfer of an Interest in a divorce proceeding or otherwise by operation of law; or

(e) Transfer of an Interest by will, declaration of or transfer in trust, or under the laws of intestate succession.

We will not unreasonably withhold consent to a Transfer of an Interest by a Principal Owner to a member of his immediate family or to your key employees, so long as all Principal Owners retain a "controlling Interest" in you, although we reserve the right to impose reasonable conditions on the Transfer as a requirement for our consent.

We will not unreasonably withhold consent to the granting of a lien on the assets of the Crêperie or a Principal Owner's Interest to a bank or other lending institution which is providing financing to you.

14.4 **Conditions for Approval of Transfer**. If you and your Principal Owners are in full compliance with this Agreement, we will not unreasonably withhold our approval of a Transfer that meets all the applicable requirements of this Section. The person or entity to whom you wish to make the Transfer and principal owners ("Proposed New Owner") must be individuals of good moral character and otherwise meet our then current standards for Sweet Paris Crêperie franchisees and owners. If you propose to Transfer this Agreement, the Crêperie or a controlling Interest in you, or make a Transfer that is one of a series of Transfers which taken together would constitute the Transfer of this Agreement, the Crêperie or a controlling Interest in you, all of the following conditions must be met before or at the time of the Transfer:

(a) the Proposed New Owner must have sufficient business experience, aptitude, and financial resources to operate the Crêperie;

(b) you must pay any amounts owed for purchases from us and our affiliates, and any other amounts owed to us or our affiliates which are unpaid;

(c) the Proposed New Owner and its management team must have successfully completed our training program;

(d) if your lease for the Premises requires it, the lessor must have consented to the assignment or sublease of the Premises to the Proposed New Owner;

(e) you shall have paid to us a transfer fee equal to 50% of our then current initial franchise fee for a Sweet Paris Crêperie franchise;

(f) you and your Principal Owners must execute a general release (in a form satisfactory to us) of any and all claims against us and our owners, officers, directors, employees, and agents;

(g) we must approve the material terms and conditions of the proposed Transfer, including, without limitation, that the price and terms of payment are not so burdensome as to adversely affect the operation of the Crêperie;

(h) The Crêperie shall have been left in an attractive, neat and sanitary condition;

(i) The Crêperie shall have been determined by us to contain all equipment and fixtures in good working condition, as were required at the initial opening of the Crêperie. At our request, the Proposed New Owner shall have agreed, in writing, to make such reasonable capital expenditures to remodel, equip, modernize and redecorate the interior and exterior of the premises in accordance with our then existing plans and specifications for Sweet Paris Crêperies;

(j) Upon receiving our consent for the Transfer, the Proposed New Owner shall agree to assume all of your obligations under this Agreement in a form acceptable to us, or at our option, shall agree to execute a new franchise agreement and related agreements with us in the form then being used by us;

(k) The Proposed New Owner shall be responsible for the travel and living expenses (including all transportation costs, room, board and meals) incurred during the training program. You shall reimburse us for any reasonable expenses incurred by us in investigation and processing any Proposed New Owner where the Transfer is not consummated for any reason; and

(l) You or your Principal Owners must have properly offered us the opportunity to exercise our right of first refusal as described in Section 14.7, and we must have declined to exercise it.

You further agree and understand that the Crêperie or its assets may not be transferred, sold or assigned except in connection with a Transfer of this Agreement.

14.5 **Death and Disability**. Upon your death or permanent disability (or the death or permanent disability of a Principal Owner), the executor, administrator, conservator or other personal representative of such person shall transfer his/her interest within a reasonable time, not to exceed 12 months from the date of death or permanent disability, to a person approved by us. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to all the terms and conditions for assignments and transfers contained in this Agreement. Failure to so dispose of such interest within said period of time shall constitute grounds for termination under this Agreement. If the Crêperie is not being managed properly in our reasonable judgment after the death or permanent disability of you or a Principal Owner, we shall have the right, but not the obligation, to manage the Crêperie until an approved assignee shall be able to assume the management and operation of the Crêperie. We shall have the right to charge a reasonable fee for such management services.

14.6 **Effect of Consent to Transfer**. Our consent to a proposed Transfer pursuant to this Section will not constitute a waiver of any claims we may have against you, nor will it be deemed a waiver of our right to demand exact compliance with any of the terms or conditions of this Agreement by the Proposed New Owner.

14.7 **Company's Right of First Refusal**. If you wish to sell the Crêperie or if any Principal Owner wishes to sell an Interest, we will have a right of first refusal to purchase the Crêperie or that Interest. The party proposing the Transfer (the "Transferor") must obtain a bona fide, executed written offer (accompanied by a "good faith" earnest money deposit of at least 5% of the purchase price) from a responsible and fully disclosed purchaser and must submit an exact copy of the offer to us. You also agree to provide us with any other information we need to evaluate the offer, if we request it within 15 days of receipt of the offer. We have the right, exercisable by delivering written notice to the Transferor within 30 days from the date of last delivery to us of the offer and any other documents we have requested, to purchase the Crêperie or the Interest for the price and on the terms and conditions contained in the offer, except that we

may substitute cash for any form of payment proposed in the offer and we will not be obligated to pay any "finder's" or broker's fees that are a part of the proposed Transfer. We will consider requests which you or any Principal Owner may make as to the method of completing the transaction, but we will not be obligated to complete the transaction in a form other than an "asset" purchase. Our credit will be deemed equal to the credit of any other proposed purchaser, and we will have at least 60 days to prepare for closing. We will be entitled to all customary representations and warranties. If the proposed Transfer includes assets not related to the operation of the Crêperie, we may purchase only the assets related to the operation of the Crêperie or may also purchase the other assets. (An equitable purchase price will be allocated to each asset included in the Transfer.)

If we do not exercise our right of first refusal, the Transferor may complete the sale to the Proposed New Owner pursuant to and on the terms of the offer, as long as we have approved the Transfer as provided in Sections 14.3 or 14.4. You must immediately notify us of any changes in the terms of an offer. Any material change in the terms of an offer before closing will make it a new offer, revoking any previous approval or previously made election to purchase and giving us a new right of first refusal effective as of the day we receive formal notice of a material change in the terms. If the sale to the Proposed New Owner is not completed within 120 days after we have approved the sale, our approval of the proposed sale will expire. Any later proposal to complete that proposed sale will be deemed a new offer, giving us a new right of approval and right of first refusal effective as of the day we receive formal notice of the new (or continuing) proposal. We will not exercise a right of first refusal with respect to a proposed sale of less than a controlling Interest to a member of a Principal Owner's immediate family or to your key employees.

15. **TERMINATION OF THE FRANCHISE**.

We shall have the right to terminate this Agreement effective upon delivery of notice of termination to you, if:

(a) you fail to purchase or lease the Premises for the Crêperie or develop or open the Crêperie as provided in this Agreement;

(b) you or your Principal Owner fails to satisfactorily complete our training program;

(c) you abandon, surrender, transfer control of, lose the right to occupy the Premises of or fail to actively operate the Crêperie, or the lease for the location of the Crêperie is terminated because of your default thereunder;

(d) you or any of your Principal Owners assign or transfer this Agreement, the Crêperie or its assets or any Interest or without compliance with the provisions of Section 14;

(e) you are adjudged a bankrupt, become insolvent or make a general assignment for the benefit of creditors;

(f) you or any of your Principal Owners are convicted of or plead no contest to a felony or are convicted or plead no contest to any crime or offense that is likely to adversely affect the reputation of the Crêperie and the goodwill associated with the Marks;

(g) you violate any health or safety law, ordinance or regulation or operate the Crêperie in a manner that presents a health or safety hazard to its customers or the public or any law, ordinance or regulation governing the sale of alcohol;

(h) you knowingly maintain false books or records, or knowingly submit any false statements or reports to us;

(i) you or any of your Principal Owners disclose or divulge the contents of the Operations Manual or other confidential information provided to you by us, contrary to Sections 8.1 or 8.2, or fail to comply with the covenant required under Section 8.3;

(j) you or any of your Principal Owners misuse or make any unauthorized use of the Marks or any other identifying characteristics of the System, or if you otherwise operate the Crêperie or conduct yourself in a manner that materially impairs the reputation or goodwill associated with the System and Marks, or our rights therein;

(k) you fail to pay when due any monies owed to us or our affiliates or any supplier and do not correct such failure within 10 days after written notice thereof is given to you;

(l) you or your Principal Owners fail to comply with any other provision of this Agreement or any mandatory specification, standard or operating procedure within 30 days after written notice of such failure to comply is given to you or your Principal Owners; or

(m) you fail on 2 or more separate occasions within any 12 consecutive month period to submit when due financial statements, reports or other data, information or supporting records, to pay when due the Royalty Fees or Marketing Fees, advertising contributions, amounts due for purchases from us or our affiliates, or other payments due to us, or otherwise fail to comply with this Agreement, whether or not such failures to comply are corrected after notice is given to you.

You acknowledge and agree that, if at any time you are in default of any of your obligations under this Agreement, we will have the right, but not the obligation, upon written notice to you, to assume management of the Crêperie or to require that you close the Crêperie until the default is fully cured, and if we elect to manage this Crêperie, to charge you a reasonable management fee for such services.

16. RIGHTS AND OBLIGATIONS OF COMPANY AND FRANCHISE OWNER UPON TERMINATION OR EXPIRATION OF THE FRANCHISE.

16.1 **Payment of Amounts Owed to Company**. You agree to pay us within 5 days after the effective date of termination or expiration of the Franchise, or any later date that the amounts due to us are determined, all amounts owed to us or our affiliates which are then unpaid.

16.2 **Marks**. You and your Principal Owners agree that after the termination or expiration of the Franchise you will:

(a) not directly or indirectly at any time identify any business with which you are associated as a current or former Sweet Paris Crêperie franchise (other than another Sweet Paris Crêperie under a franchise agreement with us);

(b) not use any Mark or any colorable imitation of any Mark in any manner or for any purpose, or use for any purpose any trademark or other commercial symbol that suggests or indicates an association with us;

(c) return to us any proprietary software and return to us or destroy (whichever we specify) all forms and materials containing any Mark or otherwise relating to a Sweet Paris Crêperie;

(d) remove all Marks affixed to uniforms or, at our direction, cease to use those uniforms;

(e) take any action that may be required to cancel all fictitious or assumed name or equivalent registrations relating to your use of any Mark; and

(f) notify the telephone company and all listing agencies of the termination or expiration of your right to use any telephone number and any regular, classified or other telephone directory listings associated with any Mark and promptly execute such documents or take such steps as may be necessary or appropriate to enable us to utilize all such telephone numbers.

16.3 **De-Identification**. If you retain possession of the Premises, you agree to completely remove or modify, at your sole expense, any part of the interior and exterior decor that we deem necessary to disassociate the Premises with the image of a Sweet Paris Crêperie, including any signage bearing the Marks. If you do not take the actions we request within 30 days after notice from us, we have the right to enter the Premises and make the required changes at your expense, and you agree to reimburse us for those expenses on demand.

16.4 **Confidential Information**. You agree that on termination or expiration of the Franchise you will immediately cease to use any of the Confidential Information, and agree not to use it in any business or for any other purpose. You further agree to immediately return to us all copies of the Operations Manual and any other confidential materials which we have loaned to you.

16.5 **Covenant Not to Compete**. On termination or expiration of this Agreement in accordance with its terms, you and your Principal Owners agree that for a period of 3 years after the effective date of termination or expiration, or the date on which you stop operating the Crêperie, whichever is later, neither you nor your Principal Owners will provide services to or have any direct or indirect interest (through a member of your immediate family or that of a Principal Owner, or otherwise) as a disclosed or beneficial owner, investor, manager, or consultant, in any Competitive Business located or operating at or within a radius of 50 miles of the Premises, or within 50 miles of any other Sweet Paris Crêperie then in existence or under construction.

16.6 **Company's Option to Purchase Crêperie**. Upon the termination or expiration of the Franchise, we shall have the option, but not the obligation, exercisable for 30 days upon written notice to you, to purchase all of the assets of the Crêperie including all approved equipment, fixtures, furniture and signs and all glassware, utensils, supplies, materials and other items imprinted with any Mark. The cost for such items shall be determined based upon a 5 year straight-line depreciation of original costs. For equipment that is 5 or more years old, it is agreed that fair market value shall be deemed to be 10% of the equipment's original cost. We shall not assume any liabilities, debts or obligations of the Crêperie in connection with any such transfer and you shall indemnify us from any and all claims made against us arising out of any such transfer of the assets of the Crêperie. The parties shall comply with all applicable laws in connection with any such transfer and you shall cooperate with the Company in complying with all such requirements. At the closing of the purchase of the Crêperie, as provided above, both of us shall execute and deliver all documents necessary to vest title in the Company or its nominee free and clear of all liens and encumbrances. We shall have the right to set off against the purchase price of the assets of the Crêperie all amounts due to the Company under this Agreement or any other agreement between the parties.

16.7 **Real Property**. In the event you own the real property on which the Crêperie is located, we will also have the option to purchase this property for a period of 30 days following expiration or termination of this Agreement. If we and you cannot agree on the fair market value of the property within a reasonable period of time, such value shall be determined by an independent appraiser selected by the Company. The purchase price will be payable in full at the closing, minus customary prorations, including the pay-off of existing mortgage. If you lease the real property on which the Crêperie is located, we also have the option to assume the lease from you on a prospective basis under the original terms and conditions negotiated by you and the landlord.

16.8 **Continuing Obligations**. All obligations of this Agreement (whether yours or ours) which expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect after and notwithstanding its expiration or termination until they are satisfied in full or by their nature expire.

17. ENFORCEMENT.

17.1 **Invalid Provisions; Substitution of Valid Provisions**. To the extent that either Section 8.3 or 16.5 is deemed unenforceable because of its scope in terms of area, business

activity prohibited, or length of time, you agree that the invalid provision will be deemed modified or limited to the extent or manner necessary to make that particular provision valid and enforceable to the greatest extent possible in light of the intent of the parties expressed in that provision under the laws applied in the forum in which we are seeking to enforce it. If any lawful requirement or court order of any jurisdiction requires a greater advance notice of the termination or non-renewal of this Agreement than is required under this Agreement, or the taking of some other action which is not required by this Agreement, or makes any provision of this Agreement or any specification, standard or operating procedure we prescribed invalid or unenforceable, the advance notice and/or other action required or revision of the specification, standard or operating procedure will be substituted for the comparable provisions of this Agreement in order to make the modified provision enforceable to the greatest extent possible. You agree to be bound by the modification to the greatest extent lawfully permitted.

17.2 **Written Consents from Company**. Whenever this Agreement requires our advance approval or consent, you agree to make a timely written request for it. Our approval or consent will not be valid unless it is in writing.

17.3 **No Guarantees**. If, in connection with this Agreement, we provide to you any waiver, approval, consent, or suggestion, or if we neglect or delay our response or deny any request for any of those, we will not be deemed to have made any warranties or guarantees which you may rely on, and will not assume any liability or obligation to you.

17.4 **No Waiver**. If at any time we do not exercise a right or power available to us under this Agreement or do not insist on your strict compliance with the terms of the Agreement, or if there develops a custom or practice which is at variance with the terms of this Agreement, we will not be deemed to have waived our right to demand exact compliance with any of the terms of this Agreement at a later time. Similarly, our waiver of any particular breach or series of breaches under this Agreement or of any similar term in any other agreement between the Company and any franchisee will not affect our rights with respect to any later breach. It will also not be deemed to be a waiver of any breach of this Agreement for us to accept payments which are due to us under this Agreement.

17.5 **Cumulative Remedies**. The rights and remedies specifically granted to either you or us by this Agreement will not be deemed to prohibit either of you or us from exercising any other right or remedy provided under this Agreement or permitted by law or equity.

17.6 **Specific Performance; Injunctive Relief**. Provided we give you the appropriate notice, we will be entitled, without being required to post a bond, to the entry of temporary and permanent injunctions and orders of specific performance (1) to enforce the provisions of this Agreement relating to your use of the Marks and your non-disclosure and non-competition obligations under this Agreement; (2) to prohibit any act or omission by you or your employees that constitutes a violation of any applicable law, ordinance or regulation, constitutes a danger to the public, or may impair the goodwill associated with the Marks or the Crêperie; or (3) to prevent any other irreparable harm to our interests. If we obtain an injunction or order of specific performance, you agree to pay us an amount equal to the total of our costs of obtaining it, including, without limitation, reasonable attorneys' and expert witness fees, costs of

investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, and any damages we incur as a result of the breach of any such provision.

17.7 **Arbitration**. Except insofar as we elect to enforce this Agreement or any other related agreement, all controversies, disputes or claims arising between the Company, its affiliates, officers, directors, agents and employees (in their representative capacity) and Franchise Owner (and its Principal Owners) arising out of or related to:

(a) this Agreement or any provisions thereof or any related agreement (except for any sublease with any affiliates of the Company);

(b) the relationship of the parties hereto;

(c) the validity of this Agreement or any related agreement, or any provision thereof; or

(d) any specification, standard or operating procedure relating to the establishment or operation of the franchise shall be submitted for arbitration to be administered by the American Arbitration Association on demand of either party.

Such arbitration proceedings shall be conducted in the city in which our principal office is located and, except as otherwise provided in this Agreement, shall be conducted by one arbitrator in accordance with then current commercial arbitration rules of the American Arbitration Association. The arbitrator shall have no authority to select a different hearing locale. The arbitrator shall have the right to award or include in his award any relief which he deems proper in the circumstances, including without limitation, money damages (with interest on unpaid amounts from date due), specific performance, injunctive relief, attorneys' fees and costs. The award and decision of the arbitrator shall be conclusive and binding upon all parties to this Agreement, and judgment on the award may be entered in any court of competent jurisdiction. Each party waives any right to contest the validity or enforceability of such award. The parties agree to be bound by the provisions of any applicable limitation on the period of time in which claims must be brought. The parties further agree that in connection with any such arbitration proceeding each will file any compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within 30 days of the date of the filing of the claim to which it relates. This provision will continue in full force and effect subsequent to and notwithstanding expiration or termination of this Agreement. The parties agree that arbitration shall be conducted on an individual, not a class-wide basis.

Notwithstanding our agreement to arbitrate, either party will have the right to seek temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction with respect to any dispute subject to arbitration; provided, however, that such party must contemporaneously submit the dispute for arbitration on the merits as provided in this Section.

17.8 **Jurisdiction and Venue**. Subject to the arbitration obligations in Sections 17.7, any judicial action must be brought in a court of competent jurisdiction in the state, and in (or

closest to) the county, where our headquarters are then located. Each of the parties irrevocably submits to the jurisdiction of such courts and waives any objection to such jurisdiction or venue. Notwithstanding the foregoing, we may bring an action for a temporary restraining order or for temporary or preliminary injunctive relief, or to enforce an arbitration award or judicial decision, in any federal or state court in the county in which you reside or the Crêperie is located.

17.9 **Governing Law**. Except to the extent governed by the United States Trademark Act of 1946, this Agreement shall be governed by and interpreted and construed under Texas law (except for Texas conflict of law rules); provided, however, that the laws of the state in which the Crêperie is located shall govern the interpretation and enforcement of the non-competition covenants contained in Sections 8.3 and 16.5 of this Agreement. Nothing in this Section 17.9 is intended by the parties to subject this Agreement to (i) any franchise or similar law, rule or regulation of the State of Texas or of any other state to which it would not otherwise be subject or (ii) any laws of the State of Texas which would affect the enforceability of Section 17.18 to which it would not otherwise be subject.

17.10 **Waiver of Punitive Damages and Jury Trial**. The parties to this Agreement hereby waive to the fullest extent permitted by law any right to or claim for any punitive or exemplary damages against the other and agree that in the event of a dispute between them each shall be limited to the recovery, upon proof, of actual damages. The parties irrevocably waive trial by jury on any action, proceeding or counterclaim, whether at law or equity, brought by either of them.

17.11 **Binding Effect**. This Agreement is binding on and will inure to the benefit of our successors and assigns and will be binding on and inure to the benefit of your successors and assigns, and if you are an individual, on and to your heirs, executors and administrators.

17.12 **Entire Agreement**. This Agreement, together with the introduction and exhibits to it, constitutes the entire agreement between the parties concerning the subject matter of this Agreement, and there are no other oral or written understandings or agreements between the parties concerning the subject matter of this Agreement. This Agreement may be modified only by written agreement signed by both you and us. Nothing in this Agreement shall disclaim or require you to waive reliance on any representation that we made in the most recent disclosure document (including its exhibits and amendments) that we delivered to you or your representative.

17.13 **No Liability to Others; No Other Beneficiaries**. We will not, because of this Agreement or by virtue of any approvals, advice or services provided to you, be liable to any person or legal entity who is not a party to this Agreement, and no other party shall have any rights because of this Agreement.

17.14 **Construction**. All headings of the various sections and paragraphs of this Agreement are for convenience only and do not affect the meaning or construction of any provision. All references in this Agreement to masculine, neuter or singular usage will be construed to include the masculine, feminine, neuter or plural, wherever applicable. Except where this Agreement expressly obligates us to reasonably approve or not unreasonably withhold

our approval of any of your actions or requests, we have the absolute right to refuse any request by you or to withhold our approval of any action or omission by you. The term "affiliate" as used in this Agreement is applicable to any company directly or indirectly owned or controlled by us that sells products or otherwise transacts business with you.

17.15 **Joint and Several Liability**. If two or more persons are the Franchisee under this Agreement, their obligation and liability to us shall be joint and several.

17.16 **Multiple Originals**. This Agreement will be executed using multiple copies, each of which will be deemed an original.

17.17 **Timing Is Important**. Time is of the essence of this Agreement. ("Time is of the essence" is a legal term that emphasizes the strictness of time limits. In this case, it means it will be a material breach of this Agreement to fail to perform any obligation within the time required or permitted by this Agreement.)

17.18 **Limitation**. The parties agree that, except as provided below, no mediation or arbitration proceeding, action or suit (whether by way of claim, counterclaim, cross-complaint, raised as an affirmative defense or otherwise) by either party will lie against the other (nor will any action or suit by you against any person and/or entity affiliated with us), whether for damages, rescission, injunctive or any other legal and/or equitable relief, in respect of any alleged breach of this Agreement, or any other claim of any type, unless such party will have commenced such mediation or arbitration proceeding, action or suit before the expiration of the earlier of: (a) 180 days after the date upon which the state of facts giving rise to the cause of action comes to the attention of, or should reasonably have come to the attention of, such party; or (b) 1 year after the initial occurrence of any act or omission giving rise to the cause of action, whenever discovered.

(a) Notwithstanding the foregoing limitations, where any federal, state or provincial law provides for a shorter limitation period than above described, whether upon notice or otherwise, such shorter period will govern.

(b) The foregoing limitations may, where brought into effect by our failure to commence an action within the time periods specified, operate to exclude our right to sue for damages but will in no case, even upon expiration or lapse of the periods specified or referenced above, operate to prevent us from terminating your rights and our obligations under this Agreement as provided herein and under applicable law nor prevent us from obtaining any appropriate court judgment, order or otherwise which enforces and/or is otherwise consistent with such termination.

(c) The foregoing limitations shall not apply to our claims arising from or related to: (1) your under-reporting of Net Sales; (2) your under-payment or non-payment of any amounts owed to us or any affiliated or otherwise related entity; (3) indemnification by you; (4) your confidentiality, non-competition or other exclusive relationship obligations; and/or (5) your unauthorized use of the Marks.

(d) In the event that any law of the State of Texas affecting the enforceability of this Section 17.18 is found applicable, the first sentence of this Section 17.18 shall be amended to read as follows: The parties agree that, except as provided below, no mediation or arbitration proceeding, action or suit (whether by way of claim, counterclaim, cross-complaint, raised as an affirmative defense or otherwise) by either party will lie against the other (nor will any action or suit by you against any person and/or entity affiliated with us), whether for damages, rescission, injunctive or any other legal and/or equitable relief, in respect of any alleged breach of this Agreement, or any other claim of any type, unless such party will have commenced such mediation or arbitration proceeding, action or suit before expiration of two (2) years and a day after the cause of action has accrued.

(e) In no way limiting Section 17.1, if any lawful requirement or court order of any jurisdiction makes any provision of this Section 17.18 invalid, void or unenforceable, such provision shall be modified in order to make the modified provision enforceable to the greatest extent possible. The parties agree to be bound by the modified provision to the greatest extent lawfully permitted.

17.19 **Independent Provisions**. The provisions of this Agreement are deemed to be severable. In other words, the parties agree that each provision of this Agreement will be construed as independent of any other provision of this Agreement.

17.20 **Release**. By executing this Agreement, Franchise Owner, for itself and its affiliates, and for its and its affiliates' directors, officers, shareholders, partners, members, managers, employees and agents, and for the predecessors, successors, assigns, heirs, administrators and executors of it and any and all of them (collectively, the "Franchise Owner Parties"), hereby release, remise, acquit, and forever discharge Company, its affiliates, its and its affiliates' directors, officers, shareholders, partners, members, managers, employees and agents, and the predecessors, successors, assigns, heirs, administrators and executors of it and any or all of them (collectively, the "Company Parties"), from and against any and all obligations, debts, liabilities, demands, claims, actions, causes of action, loss, losses, damage and damages (actual, consequential, multiplied, exemplary, enhanced, punitive, or otherwise), of any nature or kind, contingent or fixed, known or unknown, at law or in equity or otherwise, for any matter, of whatever source or origin, arising out of or related to any and all transactions of any kind or character, at any time prior to and including the Agreement Date, including, but not limited to, any and all claims arising under the franchise, securities or antitrust laws of the United States or of any state, province or territory thereof. Franchise Owner covenants, warrants, and agrees that it has the authority to bind the Franchise Owner Parties (as herein defined) as provided herein. Franchise Owner, on behalf of itself and the Franchise Owner Parties, further covenants not to sue any of the Company Parties on any of the claims released by the foregoing and represents that it has not assigned any such claims to any individual or entity who is not bound by the foregoing.

18. **NOTICES AND PAYMENTS**.

All written notices, reports and payments permitted or required under this Agreement will be deemed delivered at the time of delivery by express courier or messenger service, 1 business day after sending by facsimile transmission or comparable electronic system and 3 business days after placed in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the party to be notified or paid at its most current principal business address of which the notifying party has been advised, or to any other place designated by either party. Any required notice, payment or report which we do not actually receive during regular business hours on the date due (or postmarked by postal authorities at least 2 days before it is due) will be deemed delinquent.

19. **ACKNOWLEDGMENTS**

19.1 **Receipt of FDD and Complete Agreement**. You acknowledge that you received the disclosure document required by the Trade Regulation Rule of the Federal Trade Commission entitled "Disclosure Requirements and Prohibitions Concerning Franchising", otherwise known as the Franchise Disclosure Document ("FDD"), at least fourteen (14) calendar days prior to the date on which this Agreement was executed or any payment was made by you for the franchise rights granted under this Agreement. You further acknowledge that prior to receiving our FDD, we advised you of the formats in which the FDD is made available, and any conditions necessary for reviewing the FDD in a particular format.

19.2 **You Read the Agreement and Consulted**. You acknowledge that you have read and understood our FDD and this Agreement, the attachments hereto, and agreements relating thereto, if any, and that we have accorded you ample time and opportunity to consult with advisors of your own choosing about the potential benefits and risks of entering into this Agreement.

19.3 **Your Responsibility for Operation of Business**. Although we retain the right to establish and periodically modify System standards, which you have agreed to maintain in the operation of the Crêperie, you retain the right and sole responsibility for the day-to-day management and operation of the Crêperie and the implementation and maintenance of System standards. You acknowledges that you are solely responsible for all aspects of the Crêperies' operations, including employee and human resources matters. You further acknowledge that any controls implemented by us are for the protection of the System and the Marks and not to exercise any control over the day-to-day operation of the Crêperie.

19.4 **Sole and Exclusive Employer of Your Employees**.

(a) You hereby irrevocably affirm, attest and covenant your understanding that your employees are employed exclusively by you and in no fashion are any such employees employed, jointly employed or co-employed by us. You further affirm and attest that each of your employees is under your exclusive dominion and control and never under our direct or indirect control in any fashion whatsoever. You alone hire each of your employees; set their schedules; establish their compensation rates; and pay all

salaries, benefits and employment-related liabilities (such as workers' compensation insurance premiums/payroll taxes/Social Security contributions/unemployment insurance premiums). You alone have the ability to discipline or terminate your employees to the exclusion of us, and you acknowledge that we have no such authority or ability. You further attest and affirm that any minimum staffing requirements established by us are solely for the purpose of ensuring that the Crêperie is at all times staffed at those levels necessary to operate the Crêperie in conformity with the System and the products, services, standards of quality and efficiency, and other Sweet Paris brand attributes known to and desired by the consuming public and associated with the Marks. You affirm, warrant and understand that you may staff the Crêperie with as many employees as you desire at any time so long as our minimal staffing levels are achieved. You also affirm and attest that any recommendations you may receive from us regarding salaries, hourly wages or other compensation for employees are recommendations only, designed to assist you to efficiently operate your Crêperie, and that you are entirely free to disregard our recommendations regarding such employee compensation. Moreover, you affirm and attest that any training provided by us for your employees is geared to impart to those employees, with your ultimate authority, the various procedures, protocols, systems and operations of a Sweet Paris Crêperie and in no fashion reflects any employment relationship between us and such employees. Finally, should it ever be asserted that we are the employer, joint employer or co-employer of any of your employees in any private or government investigation, action, proceeding, arbitration or other setting, you irrevocably agree to assist us in defending said allegation, including (if necessary) appearing at any venue requested by us to testify on our behalf (and, as may be necessary, submitting yourself to depositions, other appearances and/or preparing affidavits dismissive of any allegation that we are the employer, joint employer or co-employer of any of your employees). To the extent we are the only named party in any such investigation, action, proceeding, arbitration or other setting to the exclusion of you, should any such appearance by you be required or requested by us, we will recompense you the reasonable costs associated with your appearing at any such venue.

(b) Immediately upon their hire, you shall obtain from each and every management personnel, staff and any other personnel hired at the Crêperie the Non-Disclosure and Non-Compete Agreement, which form shall be in substantially the same form attached hereto as Exhibit E.

19.5 **Different Franchise Offerings to Others**. You acknowledge and agree that we may modify the offer of our franchise to other franchisees in any manner and at any time, which offers and agreements have or may have terms, conditions, and obligations that may differ from the terms, conditions, and obligations in this Agreement.

19.6 **Good Faith**. We and you acknowledge that each provision in this Agreement has been negotiated by the parties hereto in good faith and the Agreement shall be deemed to have been drafted by both parties. It is further acknowledged that both parties intend to enforce every provision of this Agreement, including, without limitation, the provisions related to arbitration and choice of venue, regardless of any state law or regulation purporting to void or nullify any such provision.

19.7 **Patriot Act**. You represent and warrant that to your actual knowledge: (i) neither you, nor your officers, directors, managers, members, partners or other individual who manages the affairs of you, nor any affiliate or related party, or any funding source for the Crêperie, is identified on the lists of Blocked Persons, Specially Designated Nationals, Specially Designated Terrorists, Specially Designated Global Terrorists, Foreign Terrorists Organizations, and Specially Designated Narcotics Traffickers at the United States Department of Treasury's Office of Foreign Assets Control (OFAC), or the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, commonly known as the "USA Patriot Act," as such lists may be amended from time to time (collectively, "**Blocked Person(s)**"); (ii) neither you nor any affiliate or related party is directly or indirectly owned or controlled by the government of any country that is subject to an embargo imposed by the United States government; (iii) neither you nor any affiliate or related party is acting on behalf of the government of, or is involved in business arrangements or other transactions with, any country that is subject to such an embargo; (iv) neither you nor any affiliate or related party are on the United States Department of Commerce Denied Persons, Entity and Unverified Lists, or the United States Departments of State's Debarred List, as such lists may be amended from time to time (collectively, the "**Lists**"); (v) neither you nor any affiliate or related party, during the term of this Agreement, will be on any of the Lists or identified as a Blocked Person; and (vi) during the term of this Agreement, neither you nor any affiliate or related party will sell products, goods or services to, or otherwise enter into a business arrangement with, any person or entity on any of the Lists or identified as a Blocked Person. You agree to notify us in writing immediately upon the occurrence of any act or event that would render any of these representations incorrect

19.8 **Signature**. Delivery of a copy of this Agreement bearing (i) an original signature by facsimile transmission, (ii) an original signature by electronic mail in "portable document format" form or (iii) an electronic signature facilitated by a digital transaction management services provider (such as DocuSign), shall have the same effect as physical delivery of the paper document bearing the original signature.

[SIGNATURE PAGE FOLLOWS]

SWEET PARIS FRANCHISE, LLC
FRANCHISE AGREEMENT
SIGNATURE PAGE

IN WITNESS WHEREOF, the parties have executed this Agreement in multiple counterparts to be effective as of the Agreement Date.

COMPANY:
SWEET PARIS FRANCHISE, LLC

By:_____
Name:_____
Title:_____

Address for Notices:

Ivan Chavez
Sweet Paris Franchise, LLC
4400 Post Oak Parkway, Suite 2250
Houston, Texas 77027
Telephone: (713) 266-2219
Fax: (___) _____

With copy to:

Wayne P. Bunch, Jr., Esq.
FisherBroyles, LLP
2925 Richmond Avenue
Suite 1200
Houston, Texas 77098
Telephone: (713) 955-4080
Fax: (940) 241-9482

FRANCHISE OWNER:
_____

By:_____
Name:_____
Title:_____

Address for Notices:

_____
_____
_____
Telephone:_____
Fax:_____
Attn:_____

SWEET PARIS FRANCHISE, LLC
FRANCHISE AGREEMENT
EXHIBIT A
PRINCIPAL OWNER'S GUARANTY

In consideration of, and as an inducement to, the execution of the foregoing Franchise Agreement (the "Agreement") by Sweet Paris Franchise, LLC ("us"), each of the Principal Owners ("you," for purposes of this Guaranty only) signing this document hereby personally and unconditionally (1) guarantees to us and our successors and assigns that the Franchise Owner will punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and (2) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, including, without limitation, the non-competition provisions of Sections 8.3 and 16.5 of the Agreement and the arbitration, jurisdiction and venue provisions of Sections 17.7 and 17.8 of the Agreement.

Each of you waives:

(a) protest and notice of default, demand for payment or nonperformance of any obligations guaranteed by this Guaranty;

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

(c) any and all other notices and legal or equitable defenses to which you may be entitled in your capacity as guarantor.

Each of you consents and agrees that:

(a) your direct and immediate liability under this Guaranty shall be joint and several;

(b) you will make any payment or render any performance required under the Agreement on demand if Franchise Owner fails or refuses to do so when required;

(c) your liability will not be contingent or conditioned on our pursuit of any remedies against Franchise Owner or any other person;

(d) your liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which we may from time to time grant to Franchise Owner or to any other person, including without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims; and

(e) this Guaranty will continue and be irrevocable during the term of the Agreement and if required by the Agreement, after its termination or expiration.

[SIGNATURE PAGE FOLLOWS]

This Guaranty is now executed as of the Agreement Date.

PRINCIPAL OWNERS:

_____

_____

_____

SWEET PARIS FRANCHISE, LLC
FRANCHISE AGREEMENT
EXHIBIT B

SITE SELECTION AREA

The Site Selection Area referred to in Section 2.3 of the Franchise Agreement shall be:

PREMISES

The Premises referred to in Section 2.1 of the Franchise Agreement shall be:

PROTECTED AREA

The Protected Area referred to in Section 2.4 of the Franchise Agreement shall be:

COMPANY: **SWEET PARIS FRANCHISE, LLC**	**FRANCHISE OWNER:** _____
By:_____ Name:_____ Title:_____	By:_____ Name:_____ Title:_____

SWEET PARIS FRANCHISE, LLC
FRANCHISE AGREEMENT
EXHIBIT C
PRINCIPAL OWNERS INTERESTS IN FRANCHISE OWNER

Name of Principal Owner	Address, Telephone, E-mail	Interest (%) with Description

DESIGNATED PRINCIPAL OWNER

Name of Designated Principal Owner	Address, Telephone, E-mail	Interest (%) with Description

COMPANY:
SWEET PARIS FRANCHISE, LLC

By:_____
Name:_____
Title:_____

FRANCHISE OWNER:
_____

By:_____
Name:_____
Title:_____

SWEET PARIS FRANCHISE, LLC
FRANCHISE AGREEMENT
EXHIBIT D
AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS

As part of the "Franchise Agreement" with Sweet Paris Franchise (the "Franchisor"), the "Franchisee" understands that it is required to submit weekly detailed Sales Reports for processing and payment of Royalty Fees and Marketing Fees. The Franchisee also understands that all Royalty Fees, Marketing Fees, and all other fees and payments due under the Franchise Agreement will be debited from the bank account listed below on a weekly basis.

Royalty Fees and Marketing Fees will be processed by Electronic Funds Transfer ("EFT") using the Automated Clearing House ("ACH") method. The EFT/ACH debit will move funds directly from Franchisee's account into certain Franchisor accounts. Debits that result in insufficient funds will result in late fee penalties, and reimbursement of any fees incurred by Franchisor.

The Franchisee hereby authorizes its bank to pay and charge to its account EFT/ACH debits and drafts drawn by and payable to the order of the Franchisor at the Royalty Fee and Marketing Fee rates under the Franchise Agreement, provided there are sufficient collected funds in said account to pay same. This authorization remains in full force and effective until sixty (60) days after the Franchisor has received written notification from the Franchisee of its termination. Should the bank dishonor any draft or EFT/ACH debit with or without cause, the Franchisee releases the bank from any and all liability.

Franchisee:_____
Principal Owner:_____
Address:_____
City, State, and Zip:_____

Please provide two E-mail addresses for Draft Notices

E-mail:_____ E-mail:_____

Please sign the acknowledgement below and return original via mail along with a VOIDED check sent to the attention of: Ivan Chavez, 4400 Post Oak Parkway, Suite 2250, Houston, Texas 77027.

_____	_____	_____
Financial Institution	Routing Number	Account Number

Signature of Authorized Signer:_____ Date:_____

Please Attach Actual VOIDED CHECK

SWEET PARIS FRANCHISE, LLC
FRANCHISE AGREEMENT
EXHIBIT E
OPTION FOR ASSIGNMENT OF LEASE

This Option for Assignment of Lease (the "Assignment") made this _____day of _____, 20___ by and between Sweet Paris Franchise, LLC, a Texas limited liability company, located at 4400 Post Oak Parkway, Suite 2250, Houston, Texas 77027 (the "Company"), _____ ("Franchisee") and _____("Landlord") involving the Sweet Paris Crêperie ("Crêperie") to be located at _____("Franchise Location"), with reference to the following facts:

On _____, 20___, Franchisee and Landlord entered into a lease agreement ("**Lease**"), a fully executed copy of which is to be attached hereto as Exhibit A, pursuant to the terms of which Franchisee leased the Franchise Location from Landlord to operate the Crêperie thereon.

On _____, 20___, the Company and Franchisee executed a Franchise Agreement (the "Franchise Agreement") pursuant to the terms of which Franchisee obtained a franchise from the Company to operate the Crêperie at the Franchise Location.

The Company, Franchisee and Landlord desire to enter into this Assignment to define the rights of the Company in and to the Franchise Location and to protect the interests of the Company in the continued operation of a Crêperie at the Franchise Location during the entire term of the Lease, and any and all renewals and extensions thereof, and Landlord desires to consent to this Assignment on the terms and conditions set forth herein. This Assignment shall be construed with, and as an integral part of, the Lease.

1. **Assignment**. Franchisee hereby assigns, transfers and conveys to the Company, or its nominee, all of Franchisee's right, title and interest in and to the Lease, without additional charge; however, this Assignment shall become effective only upon the Company's exercise of the option granted to the Company in Section 3 herein subsequent to the occurrence of any of the following events ("Option Event(s)"):

(a) **Default of Lease**. If Franchisee shall be in default in the performance of any of the terms of the Lease, unless such default is cured within the period required in the Lease or within ten (10) days following written demand given by the Company, whichever is sooner.

(b) **Default or Expiration of Franchise Agreement**. The occurrence of any acts of default which would result in the immediate termination of the Franchise Agreement, or the continuance beyond the period or periods specified in the Franchise Agreement for cure of any default by Franchisee in the performance or payments required under the Franchise Agreement, or the expiration of the Franchise Agreement.

(c) **Sale of the Crêperie**. Upon Franchisee's sale of Franchisee's right, title and interest in and to the Crêperie conducted at the Franchise Location.

2. **Consent to Assignment**. Landlord hereby consents to this Assignment, which consent shall remain in effect during the entire term of the Lease and any and all renewals or extensions thereof, and agrees that the Lease shall not be amended, assigned, extended or renewed, nor shall the Franchise Location be sublet by Franchisee, without the prior written consent of the Company.

3. **Exercise of Option by the Company**. The Company may exercise the option granted herein for a period of thirty (30) days after any Option Event and thereby make this Assignment unconditional by giving written notice to Franchisee and Landlord of its exercise of such option in the manner specified in Section 8 hereof and by thereafter delivering to Landlord, within ten (10) business days after Landlord requests same, a written assumption of the obligations of the Lease.

In no event shall the Company be or become liable for any liability or obligation of Franchisee accruing or applicable to the period prior to the date of the Company signing a written assumption of the obligations of the Lease. All rents and other obligations under the Lease shall be prorated as of such date. The Company shall have no liability or obligation to the Landlord under the Lease unless and until it executes a written assumption of the obligations of the Lease.

The Company shall have the right, concurrently with or subsequent to the Company's exercise of the option granted herein, to assign and transfer its rights under this Assignment and the Lease to an entity owned or controlled by the Company, or to a new franchisee selected by the Company to operate the Crêperie, without the prior consent of Landlord, provided that such new entity or franchisee shall have a credit rating and a net worth adequate for the operation of the Crêperie. In such event, such new entity or franchisee shall assume the obligations of the Lease in place and instead of the Company.

Through the term of the Franchise Agreement and any renewals thereof, Franchisee agrees that it shall elect and exercise all options to extend the term of or renew the Lease not less than thirty (30) days prior to the last day that such option must be exercised. Upon failure of Franchisee to so extend or renew the Lease as stated herein, Franchisee hereby appoints the Company as its true and lawful attorney-in fact to exercise such extension or renewal options in the name, place and stead of Franchisee for the sole purpose of effecting such extension or renewal.

4. **Termination of Rights of Franchisee**. Upon the exercise of the option granted to the Company herein, Franchisee shall no longer be entitled to the use or occupancy of the Franchise Location and all of Franchisee's prior rights in and to the Lease will have been, in all respects, terminated and, by the terms of this Assignment, assigned to the Company or its assignee.

5. **Vacate Franchise Location**. Franchisee shall immediately vacate the Franchise Location within the period permitted by the Lease; however, in the event that Franchisee shall

fail or refuse to do so, the Company shall have the right to enter the Franchise Location and take possession of the Franchise Location without being guilty of trespass or any other tort.

6. **Indemnification**. Franchisee hereby covenants and agrees to indemnify and hold Landlord and the Company harmless from and against any and all loss, costs, expenses (including attorneys' fees), damages, claims and liabilities, however caused, resulting directly or indirectly from or pertaining to the exercise by the Company and/or Landlord of the rights and remedies granted under this Assignment.

7. **Remedies Cumulative**. The remedies granted pursuant to this Assignment are in addition to and not in substitution of any or all other remedies available at law or in equity to the Company or Landlord.

8. **Notices**.

(a) **Writing**. All notices, requests, demands, payments, consents and other communications hereunder shall be transmitted in writing and shall be deemed to have been duly given when sent by registered or certified United States mail, postage prepaid, addressed as follows:

The Company:	4400 Post Oak Parkway, Suite 2250 Houston, Texas 77027
Franchisee:	_____ _____ _____
Landlord:	_____ _____ _____

(b) **Change of Address**. Any party may change its address by giving notice of such change of address to the other parties.

(c) **Mailed Notice**. Mailed notices shall be deemed communicated within three (3) days from the time of mailing if mailed as provided in this Section 8.

9. **Miscellaneous**.

(a) **Injunction**. Franchisee and Landlord recognize the unique value and secondary meaning attached to the Company's trademarks, trade names, service marks, insignia and logo designs and the Franchise Location displaying same and agree that any noncompliance with the terms of this Assignment will cause irreparable damage to the Company and its franchisees. Franchisee and Landlord therefore agree that in the event of any noncompliance with the terms of this Assignment, the Company shall be entitled to seek both permanent and temporary injunctive relief from any court of competent jurisdiction in addition to any other remedies prescribed by law.

(b) **Further Acts**. The parties agree to execute such other documents and perform such further acts as may be necessary or desirable to carry out the purposes of this Assignment.

(c) **Heirs and Successors**. This Assignment shall be binding upon and inure to the benefit of the parties, their heirs, successors and assigns.

(d) **Entire Agreement**. This Assignment represents the entire understanding between the parties concerning the assignment of the Lease and supersedes all other negotiations, agreements, representations or covenants, oral or written, except any other agreement executed by the Company, Landlord and Franchisee in connection herewith. This Assignment may not be modified except by a written instrument signed by the party to be charged. The parties intend this Assignment to be the entire integration of all of their agreements in connection herewith. No other agreements, representations, promises, commitments or the like, of any nature, exist between the parties, except as set forth or otherwise referenced herein.

(e) **Waiver**. Failure by any party to enforce any rights under this Assignment shall not be construed as a waiver of such rights. Any waiver, including waiver of default, in any one (1) instance shall not constitute a continuing waiver or a waiver in any other instance.

(f) **Validity**. Any invalidity of any portion of this Assignment shall not affect the validity of the remaining portion and unless substantial performance of this Assignment is frustrated by any such invalidity, this Assignment shall continue in full force and effect.

(g) **Execution by the Company**. This Assignment shall not be binding on the Company unless and until it shall have been accepted and signed by an authorized officer of the Company.

(h) **Attorneys' Fees**. If any party commences an action against any other party arising out of or in connection with this Assignment, the prevailing party shall be entitled to have and recover from the other party its reasonable attorneys' fees and costs of suit, including costs and fees on appeal.

10. **Governing Law**. This Assignment shall be governed by and construed in accordance with the laws of the State of Texas; however, if this Assignment concerns a Crêperie located in a state other than Texas and the laws of that state require terms other than those or in addition to those contained herein, then this Assignment shall be deemed modified so as to comply with the appropriate laws of such state, but only to the extent necessary to prevent the invalidity of this Assignment or any provision hereof, the imposition of fines or penalties, or the creation of civil or criminal liability on account thereof. Any provision of this Assignment which may be determined by competent authority to be prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of the prohibition or unenforceability without invalidating the remaining provisions of this Assignment. Any prohibition against or unenforceability of any provision of this Assignment in any jurisdiction shall not invalidate the provision or render it unenforceable in any other jurisdiction. To the

extent permitted by law, Franchisee and Landlord waive any provision of law which renders any provision of this Assignment prohibited or unenforceable in any respect. Any litigation arising out of or related to this Assignment, or any breach thereof, shall be instituted in a court of competent jurisdiction in the County of Harris, State of Texas.

DATED the date first written above.

THE COMPANY: **SWEET PARIS FRANCHISE, LLC**

By:_____
Name:_____
Title:_____

LANDLORD: _____

By:_____
Name:_____
Title:_____

FRANCHISEE: _____

By:_____
Name:_____
Title:_____

SWEET PARIS FRANCHISE, LLC
FRANCHISE AGREEMENT
EXHIBIT F
NON-DISCLOSURE AND NON-COMPETE FOR FRANCHISEE'S EMPLOYEES

THIS NON-DISCLOSURE AND NON-COMPETITION AGREEMENT ("Agreement") is made this _____ day of _____, 20___, by and between _____ ("**us**" "**we**" "**our**" or the "**Franchisee**"), and _____, an employee of Franchisee ("**you**" or the "**Employee**").

Introduction

Sweet Paris Franchise, LLC (the "**Franchisor**") and its affiliates developed and own a format and system (the "**System**") for the establishment and operation of crêperie & cafés featuring crêpes, waffles, coffees, and other specialty menu items, along with related products and services under the name "Sweet Paris" (each is referred to as a "**Sweet Paris Crêperie**").

Franchisor and Franchisee have executed a Franchise Agreement ("**Franchise Agreement**") granting Franchisee the right to operate a Sweet Paris Crêperie (the "**Crêperie**") under the terms and conditions of the Franchise Agreement.

In connection with starting or continuing your employment with Franchisee, you will be trained by us and you will learn of Franchisor's confidential information and know-how concerning the methods of operation of a Sweet Paris Crêperie and the System.

Now, therefore, it is agreed that as a consideration of starting or continuing your employment, as a condition to your employment and the compensation that we have paid to you (and/or will pay you after today), you acknowledge and agree that you will comply with all of the following obligations:

1. Confidential Information. You agree that you will not, at any time (whether during or after your time of employment with us), communicate or divulge Confidential Information to any Person, and that you will not use Confidential Information for your own benefit or for the benefit of any other Person.

2. Definitions. As used in this Agreement, the following terms are agreed to have the following meanings:

a. The term "**Confidential Information**" means any information, knowledge, or know-how concerning the methods of operation of the Crêperie and the System that you may learn of or that otherwise becomes known to you during the time of your employment with us (whether or not the Franchisor or we have specifically designated that information as "confidential"). Confidential Information may include, among other things, operational, sales, promotional, marketing, and administrative methods, procedures, and techniques. However, Confidential Information does not include information that you can show came to your attention before it was disclosed to you by us or Franchisor; and Confidential Information also does not

include information that, at or after the time when we disclosed it to you, is a part of the public domain through no act on your part or through publication or communication by other Persons who are lawfully entitled to publish or communicate that information.

b. The term "**Person**" means any person, persons, partnership, entity, association, or corporation (other than the Company or Franchisor).

c. The term "**Post-Term Period**" means a continuous uninterrupted period of (check as applicable) □ one (1) year if you are a manager or perform managerial responsibilities, or □ six (6) months if you are a non-managerial employee, from the date of: (a) termination of your employment with us for any reason; and/or (b) a final order of a court of competent jurisdiction enforcing this Agreement.

3. <u>Covenants Not to Compete</u>.

a. You understand and acknowledge that due to your employment with us, you will receive valuable specialized training and access to Confidential Information.

b. You covenant and agree that during the term of your employment, unless Franchisor gives you its prior written approval, you shall not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any Person:

i. Divert or attempt to divert any current or potential business account or customer of the Crêperie (or of any Sweet Paris Crêperie) to any Person, whether by direct or indirect suggestion, referral, inducement, or otherwise;

ii. Do or perform, directly or indirectly, any act that might injure or be harmful to the goodwill associated with Franchisor and the System; and/or

iii. Directly or indirectly for yourself or on behalf of, or in conjunction with any Person, own, maintain, operate, engage in, be employed by, or have any interest in any business that is the same as or similar to the Crêperie.

c. You covenant and agree that during the term Post-Term Period, unless Franchisor gives you its prior written approval, you shall not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any Person, own, maintain, operate, engage in, be employed by, or have any interest in any business that is the same as or similar to the Crêperie, if that business is located (or if it is intended to be located) within a radius of twenty-five (25) miles of any Sweet Paris Crêperie located anywhere at that time.

4. <u>Acknowledgement</u>. You acknowledge that you are an employee of us as the Franchisee and independent owner of a Sweet Paris Crêperie franchise, and you are not an employee of Franchisor. You further acknowledge that (i) one of our key roles and responsibilities is to properly train our employees; (ii) neither the training program that you attend or any other training or direction you receive, nor any recommendations, guidelines or suggestions received from Franchisor or its representatives in any way modifies our training obligations or is intended

to exert or exercise any direct, indirect or potential control over our employees, our training obligations or any aspect of our employment relationship with you or any other employees. The training program that you attend or any other training or direction you receive is not intended in any way to change or modify your employment relationship with us. Franchisor is not an employer or joint employer of any of our employees.

5. **Legal and Equitable Remedies**. You understand, acknowledge, and agree that if you do not comply with the requirements of this Agreement, you will cause irreparable injury to Franchisor, and that:

a. We will have the right to enforce this Agreement and any of its provisions by going to a court and obtaining an injunction, specific performance, or other equitable relief, without prejudice to any other rights and remedies that we may have for breach of this Agreement;

b. You will not raise wrongful termination or other defenses to the enforcement of this Agreement (although you will have the right to raise those issues in a separate legal action); and

c. You must reimburse Franchisor for any court costs and reasonable attorney's fees that Franchisor incurs as a result of your violation of this Agreement and having to go to court to seek enforcement.

6. **Severability**. Each of the provisions of this Agreement may be considered severable from the others. If a court should find that we or Franchisor may not enforce a clause in this Agreement as written, but the court would allow us or Franchisor to enforce that clause in a way that is less burdensome to you, then you agree that you will comply with the court's less-restrictive interpretation of that clause.

7. **Delay**. No delay or failure by us or Franchisor to exercise any right under this Agreement, and no partial or single exercise of that right, shall constitute a waiver of that right or any other right set out in this Agreement. No waiver of any violation of any terms and provisions of this Agreement shall be construed as a waiver of any succeeding violation of the same or any other provision of this Agreement.

8. **Third-Party Beneficiary.** You acknowledge and agree that Franchisor is an intended third-party beneficiary of this Agreement with the right to enforce it, independently or jointly with us.

9. **Jurisdiction; Applicable Law**. You agree that any lawsuit brought by Franchisor to enforce its rights under this Agreement shall be brought in the courts of the county where Franchisor has its then current principal place of business, and you agree and consent to the jurisdiction of such court to resolve all disputes which arise out of this Agreement or any alleged breach thereof, regardless of your residency at the time such lawsuit is filed. This Agreement shall be governed by the laws of the State of Texas. In the event of any conflict of law, the laws

of Texas shall prevail, without regard to, and without giving effect to, the application of Texas conflict of law rules.

IN WITNESS WHEREOF, Employee has read and understands the terms of this Agreement, and voluntarily signed this Agreement on the date first written above.

EMPLOYEE

Signature:_____

Printed Name:_____

SWEET PARIS FRANCHISE, LLC
FRANCHISE AGREEMENT
EXHIBIT G
FRANCHISEE DISCLOSURE ACKNOWLEDGMENT STATEMENT

As you know, Sweet Paris Franchise, LLC (the "Franchisor") and you are preparing to enter into a franchise agreement (the "Franchise Agreement") for the establishment and operation of a "Sweet Paris Crêperie." The purpose of this Questionnaire is to determine whether any statements or promises were made to you by employees or authorized representatives of the Franchisor, or by employees or authorized representatives of a broker acting on behalf of the Franchisor ("Broker") that have not been authorized, or that were not disclosed in the Franchise Disclosure Document or that may be untrue, inaccurate or misleading. The Franchisor, through the use of this document, desires to ascertain (a) that the undersigned, individually and as a representative of any legal entity established to acquire the franchise rights, fully understands and comprehends that the purchase of a franchise is a business decision, complete with its associated risks, and (b) that you are not relying upon any oral statement, representations, promises or assurances during the negotiations for the purchase of the franchise which have not been authorized by Franchisor.

In the event that you are intending to purchase an existing Sweet Paris Crêperie from an existing Franchisee, you may have received information from the transferring Franchisee, who is not an employee or representative of the Franchisor. The questions below do not apply to any communications that you had with the transferring Franchisee. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. Are you seeking to enter into the Franchise Agreement in connection with a purchase or transfer of an existing Sweet Paris Crêperie from an existing Franchisee?

Yes _____ No _____

2. Have you received and personally reviewed the Franchise Agreement, each addendum, and/or related agreement provided to you?

Yes _____ No _____

3. Do you understand all of the information contained in the Franchise Agreement, each addendum, and/or related agreement provided to you?

Yes _____ No _____

If no, what parts of the Franchise Agreement, any Addendum, and/or related agreement do you not understand? (Attach additional pages, if necessary.)

_____

_____

_____

_____

4. Have you received and personally reviewed the Franchisor's Franchise Disclosure Document ("Disclosure Document") that was provided to you?

Yes _____ No _____

5. Did you sign a receipt for the Disclosure Document indicating the date you received it?

Yes _____ No _____

6. Do you understand all of the information contained in the Disclosure Document and any state-specific Addendum to the Disclosure Document?

Yes _____ No _____

If No, what parts of the Disclosure Document and/or Addendum do you not understand? (Attach additional pages, if necessary.)

_____
_____
_____
_____
_____
_____

7. Have you discussed the benefits and risks of establishing and operating a Sweet Paris Crêperie with an attorney, accountant, or other professional advisor?

Yes _____ No _____

If No, do you wish to have more time to do so?

Yes _____ No _____

8. Do you understand that the success or failure of your Sweet Paris Crêperie will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, location, lease terms, your management capabilities and other economic, and business factors?

Yes _____ No _____

9. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the actual or potential revenues, profits or operating costs of any particular Sweet Paris Crêperie operated by the Franchisor or its

franchisees (or of any group of such businesses), that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

10. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise regarding the amount of money you may earn in operating a Sweet Paris Crêperie that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

11. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the total amount of revenue a Sweet Paris Crêperie will generate, that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

12. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise regarding the costs you may incur in operating a Sweet Paris Crêperie that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

13. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Sweet Paris Crêperie?

Yes _____ No _____

14. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that the Franchisor will furnish to you that is contrary to, or different from, the information contained in the Disclosure Document or franchise agreement?

Yes _____ No _____

15. Have you entered into any binding agreement with the Franchisor concerning the purchase of this franchise prior to today?

Yes _____ No _____

16. Have you paid any money to the Franchisor concerning the purchase of this franchise prior to today?

Yes _____ No _____

17. Have you spoken to any other franchisee(s) of this system before deciding to purchase this franchise? If so, who? _____

_____

If you have answered No to question 8, or Yes to any one of questions 9-16, please provide a full explanation of each answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered Yes to question 8, and No to each of questions 9-16, please leave the following lines blank.

_____

_____

_____

_____

I signed the Franchise Agreement and Addendum (if any) on _____, 20___, and acknowledge that no Agreement or Addendum is effective until signed and dated by the Franchisor.

The name of the sales person or salespersons that handled this franchise sale was:

_____

Please understand that your responses to these questions are important to us and that we will rely on them. By signing this Questionnaire, you are representing that you have responded truthfully to the above questions. In addition, by signing this Questionnaire, you also acknowledge that:

A. You recognize and understand that business risks, which exist in connection with the purchase of any business, make the success or failure of the franchise subject to many variables, including among other things, your skills and abilities, the hours worked by you, competition, interest rates, the economy, inflation, franchise location, operation costs, lease terms and costs and the marketplace. You hereby acknowledge your awareness of and willingness to undertake these business risks.

B. You agree and state that the decision to enter into this business risk is in no manner predicated upon any oral representation, assurances, warranties, guarantees or promises made by Franchisor or any of its officers, employees or agents (including the Broker or any other broker) as to the likelihood of success of the franchise. Except as contained in the Disclosure Document, you acknowledge that you have not received any information from the Franchisor or any of its officers, employees or agents (including the Broker or any other broker) concerning actual, projected or forecasted franchise sales, profits or earnings. If you believe that

you have received any information concerning actual, average, projected or forecasted franchise sales, profits or earnings other than those contained in the Disclosure Document, please describe those in the space provided below or write "None".

_____

_____

_____

C. You further acknowledge that the President of the United States of America has issued Executive Order 13224 (the "Executive Order") prohibiting transactions with terrorists and terrorist organizations and that the United States government has adopted, and in the future may adopt, other anti-terrorism measures (the "Anti-Terrorism Measures"). The Franchisor therefore requires certain certifications that the parties with whom it deals are not directly involved in terrorism. For that reason, you hereby certify that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, is:

(i) a person or entity listed in the Annex to the Executive Order;

(ii) a person or entity otherwise determined by the Executive Order to have committed acts of terrorism or to pose a significant risk of committing acts of terrorism;

(iii) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or

(iv) owned or controlled by terrorists or sponsors of terrorism.

You further covenant that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, will during the term of the Franchise Agreement become a person or entity described above or otherwise become a target of any Anti-Terrorism Measure.

Acknowledged this _____ day of _____, 20____.

INDIVIDUAL	CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP
_____	_____
Signature	Print Name of Legal Entity
Print Name:_____	
	By:_____
_____	Print Name:_____
Signature	Title:_____
Print Name:_____	

SWEET PARIS FRANCHISE, LLC
FRACHISE AGREEMENT
EXHIBIT H
STATE-SPECIFIC ADDENDA

EXHIBIT C

AREA DEVELOPMENT AGREEMENT

SWEET PARIS

crêperie & café

SWEET PARIS FRANCHISE, LLC

AREA DEVELOPMENT AGREEMENT

_____

AREA DEVELOPER

_____

DATE OF AGREEMENT

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EXHIBIT B - Development Schedule
EXHIBIT C - Guaranty And Assumption Of Obligations
EXHIBIT D - State-Specific Addenda

SWEET PARIS FRANCHISE, LLC
AREA DEVELOPMENT AGREEMENT

This Development Agreement (this "Agreement") is being entered into as of _____, 20___ (the "Agreement Date"). The parties to this Agreement are you, _____ (sometimes referred to as "Developer") and us, Sweet Paris Franchise, LLC, a Texas corporation, (sometimes referred to as "the Company").

1. **INTRODUCTION**. This Agreement is being presented to you because of the desire you have expressed to obtain the right to develop, own and be franchised to operate, Sweet Paris Crêperie & Cafés (each a "Sweet Paris Crêperie") featuring crêpes, waffles, coffees, and other specialty menu items. Sweet Paris Crêperies operate under a system developed by us and our affiliates (the "System") and certain trademarks, service marks and other commercial symbols (the "Marks"). In signing this Agreement, you acknowledge your understanding of the importance of our high standards of quality and service and the necessity of operating your Sweet Paris Crêperies in strict conformity with our standards and specifications. You also acknowledge that you have conducted an independent investigation of the Sweet Paris Crêperie business contemplated by this Agreement and recognize that, like any other business, the nature of it may evolve and change over time, that an investment in Sweet Paris Crêperies involves business risks, and that the success of this business venture is primarily dependent on your business abilities and efforts. We expressly disclaim making, and you acknowledge that you have not received or relied on, any guarantee, express or implied, as to the revenues, profits, or likelihood of success of the Sweet Paris Crêperie venture contemplated by this Agreement. You acknowledge that there have been no representations by us or our officers, directors, shareholders, employees, or agents, that are inconsistent with the statements made in our franchise disclosure document or the provisions of this Agreement.

2. **GRANT OF DEVELOPMENT RIGHTS**. Subject to the provisions of this Agreement, we grant you the right to develop _____ Sweet Paris Crêperies (the "Crêperies") within the geographical area described in Exhibit A to this Agreement (the "Development Area").

3. **RIGHTS IN DEVELOPMENT AREA**. Provided you are in full compliance with all the terms and conditions contained in this Agreement, including, without limitation, your development obligations contained in Section 4, and are in full compliance with all of your obligations under franchise agreements entered into between us and you, then during the term of this Agreement, we will not operate or grant a franchise for the operation of a Sweet Paris Crêperie to be located within the Development Area, except such franchises as are granted to you pursuant to this Agreement. Notwithstanding anything to the contrary in this Section 3, we retain the right to own, acquire, establish and/or operate and license others to establish and operate other retail or restaurant outlets or enter into other lines of businesses offering similar or dissimilar products or services under trademarks or service marks other than the Marks, and the right to own, acquire, establish and/or operate and license others to establish and operate Sweet Paris Crêperies at Non-Traditional Sites (as defined below) at any location within the Development Area. As used in this Agreement, "Non-Traditional Sites" shall mean outlets that serve primarily the customers located within a facility, such as captive audience facilities

(examples include, but are not limited to, parks charging admission, stadiums, amusement parks and centers, theaters and art centers), limited purpose facilities (examples include, but are not limited to, airports, transportation centers, department stores, in-door shopping centers or malls, business and industrial complexes, museums, educational facilities, hospitals, art centers, and recreational parks), limited access facilities (examples include, but are not limited to, military complexes, buyer club businesses, educational facilities, business and industrial complexes), and other types of institutional accounts.

4. **DEVELOPMENT OBLIGATIONS**. To maintain your rights under this Agreement, you must, by the dates set forth under the development schedule attached hereto as Exhibit B (the "Development Schedule"), have executed the lease or purchase contracts for the Approved Sites of your Crêperies and have opened and in operation your Crêperies in accordance with the Development Schedule. Each Crêperie will be operated under a separate franchise agreement with us. The franchise agreement for each such Crêperie ("Franchise Agreement") will be our then current form of franchise agreement, which may be substantially different from the form of franchise agreement currently in use. However, the initial franchise fee payable pursuant to the Franchise Agreement will be $_____ for each Crêperie to be developed under this Agreement. You will have no right under this Agreement to license or sublicense others to operate Crêperies or use the System or the Marks.

5. **DEVELOPMENT FEE**. As consideration for the rights granted under this Agreement, simultaneously with the execution of this Agreement, you will pay us $_____ corresponding to an amount equal to 100% of the initial franchise fee payable for the first Crêperie you will develop and 50% of each subsequent initial franchise fee payable for the remaining number of Crêperies to be developed by you. The amount which you must pay us upon execution of this Agreement is referred to as the "Development Fee." The Development Fee is consideration for the rights granted to you in this Agreement and not consideration for any Franchise Agreement and is non-refundable in recognition of administrative and other expenses incurred by us and for the development opportunities lost or deferred as a result of the rights granted herein to you, notwithstanding any provision to the contrary contained in any Franchise Agreement. We will apply $_____ of the Development Fee to the initial franchise fee payable under the first Franchise Agreement executed pursuant to this Agreement, and increments of $_____ of the Development Fee will be applied to each of the other Franchise Agreements executed pursuant to this Agreement. The balance of the initial franchise fee payable under each Franchise Agreement shall be paid at the time the Franchise Agreement is executed.

6. **GRANT OF FRANCHISES**. We will grant you franchises for the operation of the Crêperies within the Development Area, subject to the following requirements:

(a) For each site at which you propose to establish and operate a Crêperie and which you believe in good faith to conform to site selection criteria established by us from time to time (a "Proposed Site"), you must submit to us, in a form specified by us, a complete site approval package (the "SAP"). The SAP must include: (i) a site approval form prescribed by us; (ii) a trade area and/or site marketing research analysis (prepared by a company approved in advance by us); (iii) an option contract, letter of intent, or other evidence satisfactory to us which describes your favorable prospects for obtaining

such site; (iv) photographs of the site; (v) demographic statistics; (vi) the lease or purchase contract; and (vii) such other information or materials as we may reasonably require. We will have 30 days after receipt of the SAP from you to approve or disapprove, in our sole discretion, the Proposed Site for the Crêperie. In the event we do not approve a Proposed Site by written notice to you within this 30 day period, such site and lease or purchase contract shall be deemed disapproved. No site shall be deemed approved unless it has been expressly approved in writing by us.

(b) Upon our approval of a Proposed Site for a Crêperie, you must obtain lawful possession of the Approved Site through purchase or lease. Any lease or purchase contract for an Approved Site must be approved by us. You agree to give us not less than 30 days written notice before you execute a lease or purchase contract for an Approved Site which notice shall include a copy of the proposed lease or purchase contract for the Approved Site. Following such notice, we will deliver to you a Franchise Agreement and such other documents as we then customarily use when granting franchises in form for execution by you (and, if you are a corporation, partnership or limited liability company, your owners, as applicable). Concurrently with the purchase of an Approved Site or the execution of a lease for an Approved Site, you (and your owners) must sign and deliver to us the Franchise Agreement and, as applicable, such other documents delivered to you for the Crêperie to be developed at the Approved Site together with the balance of the initial franchise fee due. An "Approved Site" is a Proposed Site for which you have submitted to us a complete SAP and any other information we may reasonably require and which we have approved for development of a Crêperie. If you have not obtained lawful possession of an Approved Site within 90 days of delivery of our approval of a Proposed Site, we may, at our sole discretion, withdraw approval of such Proposed Site. You acknowledge that our approval of a Proposed Site will not constitute a representation or warranty, express or implied, as to the suitability of the Proposed Site for a Sweet Paris Crêperie or for any other purpose. You further acknowledge that neither our acceptance of the Proposed Site nor any assistance in negotiation of the lease for the Proposed Site constitutes any assurance that the Crêperie will be profitable or more profitable in comparison to other locations. Our acceptance and any assistance is only an indication that the Proposed Site meets our minimum criteria.

(c) You must furnish to us such financial statements and other information regarding the development and operation of a proposed Crêperie as we may reasonably require. You understand and agree that we may refuse to grant to you a franchise for a proposed Crêperie unless you, in our reasonable judgment, have demonstrated sufficient financial capabilities to properly develop and operate the proposed Crêperie.

(d) You agree to maintain sufficient financial resources to fulfill your obligations under this Agreement and under Franchise Agreements executed under this Agreement. You must submit for approval, from time to time at our request, a written plan for your financing, which plan shall be reasonably acceptable to us and which shall include details of the sources and terms of such financing and such other information or documents required by us. Among other factors, we may consider your proposed debt/equity ratio and amount of indebtedness in reviewing such plan. Once a plan is approved by us, you must execute and adhere to the plan. The plan shall be subject to

periodic review by us and we may require, in our sole discretion, modifications to meet our then current minimum standards for developer financing plans.

7. **TERM**. Subject to the provisions of this Agreement, this Agreement shall be for a term commencing on the Agreement Date and expiring on the date upon which you must complete development of the Development Area as set forth in the Development Schedule.

8. **TERMINATION**. We may terminate this Agreement and your rights to further develop Crêperies, effective upon delivery of notice of termination to you, if:

(a) You have failed to make any payments due to us under this Agreement and do not correct such failure within 10 days after written notice of that failure is delivered to you;

(b) You fail to comply with any provision of this Agreement, including but not limited to your development obligations, and do not correct such failure within 30 days after written notice is delivered to you;

(c) You become insolvent, make an assignment for the benefit of creditors or you are unable to pay your debts as they become due;

(d) You (or any of your owners) have made any material misrepresentation or omission in your application for the development rights conferred by this Agreement or are convicted of or plead no contest to a felony or other crime or offense that may adversely affect the goodwill associated with the Marks;

(e) You or your owners make an authorized direct or indirect transfer of this Agreement or an ownership interest in this Agreement; or

(f) We have delivered to you a notice of termination of a Franchise Agreement in accordance with its terms and conditions.

If this Agreement is terminated for any reason you will lose all rights to further develop Crêperies in the Development Area. However, termination will not affect your right to operate any Crêperies in existence or under development provided you are in compliance with the Franchise Agreement for any such Crêperie.

9. **ASSIGNMENT BY THE COMPANY**. This Agreement is fully transferable by us, without the need for your consent, and will inure to the benefit of any person or entity to whom it is transferred, or to any other legal successor to our interests in this Agreement.

10. **ASSIGNMENT BY DEVELOPER**. You understand and acknowledge that the rights and duties created by this Agreement are personal to you and your owners and that we have entered into this Agreement because of the individual or collective character, skill, aptitude, attitude, business ability and financial capacity of you and your owners. Therefore, neither this Agreement nor any part of your interest in it, nor any ownership interest in you may be voluntarily, involuntarily, directly or indirectly, assigned, sold or transferred without prior written consent, which we will not unreasonably withhold. You understand and agree that, in

connection with any such proposed assignment, sale or transfer, we may refuse to consent to the assignment, sale or transfer unless the transaction involves the assignment, sale or transfer of all Crêperies in operation or under development to the assignee or transferee (or a controlling interest in all entities owning such Crêperies). You also acknowledge and agree that, during the term of this Agreement, we may refuse to consent to an assignment, sale or transfer of any Crêperie developed under this Agreement (or a controlling interest in any entity owning any such Crêperie) unless the transaction involves the assignment, sale or transfer of all Crêperies developed or under development by you under the terms of this Agreement.

11. **NO WARRANTY OR GUARANTEES**. You acknowledge that you have not received or relied upon any information, express or implied, as to the revenues, profits or success of the business venture contemplated by this Agreement other than as set forth in our Franchise Disclosure Document. You acknowledge that you have no knowledge of any representations by us, or by our officers, directors, shareholders, employees or agents that are contrary to the statements made in our Franchise Disclosure Document. You further represent to us, as an inducement to our entry into this Agreement, that you have made no misrepresentations to us in your application for the rights granted hereunder.

12. **SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS**. Except as expressly provided to the contrary herein, each section, paragraph, term and provision of this Agreement, and any portion thereof, will be considered severable, and if, for any reason, any such provision is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency or tribunal with competent jurisdiction in a proceeding to which we are a party, that ruling will not impair the operation of, or have any other effect upon, such other portions of this Agreement as may remain otherwise intelligible, which will continue to be given full force and effect and bind the parties hereto, although any portion held to be invalid will be deemed not to be a part of this Agreement from the date the time for appeal expires, if you are a party thereto, otherwise upon your receipt from us of a notice of non-enforcement thereof.

If any applicable and binding law or rule of any jurisdiction requires a greater prior notice than is required hereunder of the termination of this Agreement or of our refusal to enter into a successor development agreement, or the taking of some other action not required hereunder, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement is invalid or unenforceable, the prior notice and/or other action required by such law or rule will be substituted for the comparable provisions hereof, and we will have the right, in our sole discretion, to modify such invalid or unenforceable provision to the extent required to be valid and enforceable. You agree to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof, any portion or portions which a court or arbitrator may hold to be unenforceable in a final decision to which we are a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order or arbitration award. Such modifications to this Agreement will be effective only in such jurisdiction, unless we elect to give them greater applicability, and will be enforced as originally made and entered into in all other jurisdictions.

13. **WAIVER OF OBLIGATIONS**. If at any time we do not exercise a right or power available to us under this Agreement or do not insist on your strict compliance with the terms of the Agreement, or if there develops a custom or practice which is at variance with the terms of this Agreement, we will not be deemed to have waived our right to demand exact compliance with any of the terms of this Agreement at a later time. Similarly, our waiver of any particular breach or series of breaches under this Agreement or of any similar term in any other agreement between us and any developer will not affect our rights with respect to any later breach. It will also not be deemed to be a waiver of any breach of this Agreement for us to accept payments which are due to us under this Agreement.

14. **COSTS AND ATTORNEYS' FEES**. If we incur expenses in connection with your failure to pay when due amounts owed to us or otherwise to comply with this Agreement, you agree to reimburse us for any of the costs and expenses which we incur, including, without limitation, reasonable accounting, attorneys', arbitrators' and related fees.

15. **YOU MAY NOT WITHHOLD PAYMENTS DUE TO US**. You agree that you will not withhold payment of any amounts owed to us on the grounds of our alleged nonperformance of any of our obligations hereunder. You agree that all such claims will, if not otherwise resolved by us, be submitted to arbitration as provided in Section 17.

16. **RIGHTS OF PARTIES ARE CUMULATIVE**. The rights and remedies specifically granted to either you or us by this Agreement will not be deemed to prohibit either of us from exercising any other right or remedy provided under this Agreement or permitted by law or equity.

17. **ARBITRATION**. Except insofar as we elect to enforce this Agreement or any other related agreement, all controversies, disputes or claims arising between the Company, its affiliates, officers, directors, agents, employees and attorneys (in their representative capacity) and Developer (and your owners) arising out of or related to: (1) this Agreement or any provisions thereof or any related agreement (except for any sublease with any affiliates of the Company); (2) the relationship of the parties hereto; or (3) the validity of this Agreement or any related agreement, or any provision thereof; shall be submitted for arbitration to be administered by the American Arbitration Association on demand of either party. Such arbitration proceedings shall be conducted in the city where our principal office is located and, except as otherwise provided in this Agreement, shall be conducted in accordance with then current commercial arbitration rules of the American Arbitration Association. The arbitrator shall have no authority to select a hearing locale other than as described in the prior sentence. The arbitrator shall have the right to award or include in his award any relief which he deems proper in the circumstances, including without limitation, money damages (with interest on unpaid amounts from date due), specific performance, injunctive relief, attorneys' fees and costs. The award and decision of the arbitrator shall be conclusive and binding upon all parties to this Agreement, and judgment on the award may be entered in any court of competent jurisdiction. Each party waives any right to contest the validity or enforceability of such award. The parties further agree to be bound by the provisions of any applicable limitation on the period of time in which claims must be brought. The parties further agree that in connection with any such arbitration proceeding each will file any compulsory counterclaim (as defined by rule 13 of the Federal Rules of Civil Procedure) within 30 days of the date of the filing of the claim to which it

relates. This provision will continue in full force and effect subsequent to and notwithstanding expiration or termination of this Agreement. The parties agree that arbitration shall be conducted on an individual, not a class-wide basis.

18. **GOVERNING LAW**. Except to the extent governed by the United States Trademark Act of 1946, this Agreement shall be governed by and interpreted and construed under Texas law (except for Texas conflict of law rules); provided however, that any law governing the relationship between you and us shall not apply unless its jurisdictional requirements are met independently without reference to this Section. Nothing in this Section 18 is intended by the parties to subject this Agreement to (i) any franchise or similar law, rule, or regulation of the State of Texas or of any other state to which it would not otherwise be subject or (ii) any laws of the State of Texas which would affect the enforceability of Section 22 to which it would not otherwise be subject

19. **CONSENT TO JURISDICTION**. Subject to the arbitration obligations in Section 17, any judicial action must be brought in a court of competent jurisdiction in the state, and in (or closest to) the county, where our headquarters are then located. Each of the parties irrevocably submits to the jurisdiction of such courts and waives any objection to such jurisdiction or venue. Notwithstanding the foregoing, we may bring an action for a temporary restraining order or for temporary or preliminary injunctive relief, or to enforce an arbitration award or judicial decision, in any federal or state court in the county in which you reside or the Development Area is located.

20. **WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL**. The parties to this Agreement hereby waive to the fullest extent permitted by law any right to or claim for any punitive or exemplary damages against the other and agree that in the event of a dispute between them each shall be limited to the recovery, upon proof, of actual damages. The parties irrevocably waive trial by jury on any action, proceeding or counterclaim, whether at law or equity, brought by either of them.

21. **NOTICES**. All written notices, reports and payments permitted or required under this Agreement will be deemed delivered at the time of delivery by express courier or messenger service, 1 business day after sending by facsimile transmission or comparable electronic system and 3 business days after placed in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the party to be notified or paid at its most current principal business address of which the notifying party has been advised, or to any other place designated by either party.

22. **LIMITATION**. Any and all claims and actions arising out of or relating to this Agreement and/or the relationship of the parties, brought by either party hereto against the other, whether in mediation, in arbitration or in court, shall be commenced within two (2) years and a day after the cause of action has accrued, or such claim or action shall be forever barred. Notwithstanding the foregoing limitation, where any federal, state or provincial law provides for a shorter limitation period than above described, whether upon notice or otherwise, such shorter period will govern.

23. **ENTIRE AGREEMENT; BINDING EFFECT**. This Agreement, together with the introduction, constitutes the entire agreement between the parties concerning the subject matter of this Agreement, and there are no other oral or written understandings or agreements between the parties concerning the subject matter of this Agreement. This Agreement is binding upon us and you and our respective executors, administrators, heirs, beneficiaries, assigns and successors in interest and may not be modified except by written agreement signed by you and us. Nothing in this Agreement shall disclaim or require you to waive reliance on any representation that we made in the most recent disclosure document (including its exhibits and amendments) that we delivered to you or your representative.

24. **CONSTRUCTION**. All headings of the various sections and paragraphs of this Agreement are for convenience only and do not affect the meaning or construction of any provision. All references in this Agreement to masculine, neuter or singular usage will be construed to include the masculine, feminine, neuter or plural, wherever applicable. Except where this Agreement expressly obligates us to reasonably approve or not unreasonably withhold our approval of any of your actions or requests, we have the absolute right to refuse any request by you or to withhold our approval of any action or omission by you. The term "affiliate" as used in this Agreement is applicable to any company directly or indirectly owned or controlled by us that sells products or otherwise transacts business with you.

We will not, because of this Agreement or by virtue of any approvals, advice or services provided to you, be liable to any person or legal entity who is not a party to this Agreement, and no other party shall have any rights because of this Agreement.

If 2 or more persons are the Developer under this Agreement, their obligation and liability to us shall be joint and several.

This Agreement will be executed using multiple copies, each of which will be deemed an original.

Time is of the essence of this Agreement. ("Time is of the essence" is a legal term that emphasizes the strictness of time limits. In this case, it means it will be a material breach of this Agreement to fail to perform any obligation within the time required or permitted by this Agreement.)

The provisions of this Agreement are deemed to be severable. In other words, the parties agree that each provision of this Agreement will be construed as independent of any other provision of this Agreement.

25. **ACKNOWLEDGMENTS.**

(a) You acknowledge that you received the disclosure document required by the Trade Regulation Rule of the Federal Trade Commission entitled "Disclosure Requirements and Prohibitions Concerning Franchising", otherwise known as the Franchise Disclosure Document ("FDD"), at least fourteen (14) calendar days prior to the date on which this Agreement was executed or any payment was made by you for the franchise rights granted under this Agreement. You further acknowledge that prior to

receiving our FDD, we advised you of the formats in which the FDD is made available, and any conditions necessary for reviewing the FDD in a particular format.

(b) You acknowledge that you have read and understood our FDD and this Agreement, the attachments hereto, and agreements relating thereto, if any, and that we have accorded you ample time and opportunity to consult with advisors of your own choosing about the potential benefits and risks of entering into this Agreement.

(c) You acknowledge and agree that we may modify the offer of our franchise to other area developers and franchisees in any manner and at any time, which offers and agreements have or may have terms, conditions, and obligations that may differ from the terms, conditions, and obligations in this Agreement.

(d) We and you acknowledge that each provision in this Agreement has been negotiated by the parties hereto in good faith and the Agreement shall be deemed to have been drafted by both parties. It is further acknowledged that both parties intend to enforce every provision of this Agreement, including, without limitation, the provisions related to arbitration and choice of venue, regardless of any state law or regulation purporting to void or nullify any such provision.

(e) You represent and warrant that to your actual knowledge: (i) neither you, nor your officers, directors, managers, members, partners or other individual who manages the affairs of you, nor any affiliate or related party, or any funding source for the Crêperie, is identified on the lists of Blocked Persons, Specially Designated Nationals, Specially Designated Terrorists, Specially Designated Global Terrorists, Foreign Terrorists Organizations, and Specially Designated Narcotics Traffickers at the United States Department of Treasury's Office of Foreign Assets Control (OFAC), or the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, commonly known as the "USA Patriot Act," as such lists may be amended from time to time (collectively, "**Blocked Person(s)**"); (ii) neither you nor any affiliate or related party is directly or indirectly owned or controlled by the government of any country that is subject to an embargo imposed by the United States government; (iii) neither you nor any affiliate or related party is acting on behalf of the government of, or is involved in business arrangements or other transactions with, any country that is subject to such an embargo; (iv) neither you nor any affiliate or related party are on the United States Department of Commerce Denied Persons, Entity and Unverified Lists, or the United States Departments of State's Debarred List, as such lists may be amended from time to time (collectively, the "**Lists**"); (v) neither you nor any affiliate or related party, during the term of this Agreement, will be on any of the Lists or identified as a Blocked Person; and (vi) during the term of this Agreement, neither you nor any affiliate or related party will sell products, goods or services to, or otherwise enter into a business arrangement with, any person or entity on any of the Lists or identified as a Blocked Person. You agree to notify us in writing immediately upon the occurrence of any act or event that would render any of these representations incorrect.

(f) Delivery of a copy of this Agreement bearing (i) an original signature by facsimile transmission, (ii) an original signature by electronic mail in "portable document format" form or (iii) an electronic signature facilitated by a digital transaction management services provider (such as DocuSign), shall have the same effect as physical delivery of the paper document bearing the original signature.

[SIGNATURE PAGE FOLLOWS]

SWEET PARIS FRANCHISE, LLC
AREA DEVELOPMENT AGREEMENT
SIGNATURE PAGE

IN WITNESS WHEREOF, the parties have executed this Agreement in multiple counterparts to be effective as of the Agreement Date.

COMPANY:
SWEET PARIS FRANCHISE, LLC

By:_____
Name:_____
Title:_____

Address for Notices:

Ivan Chavez
Sweet Paris Franchise, LLC
4400 Post Oak Parkway, Suite 2250
Houston, Texas 77027
Telephone: (713) 266-2219
Fax: (___) _____

With copy to:

Wayne P. Bunch, Jr., Esq.
DLA Piper (US)
1000 Louisiana Street
Suite 2800
Houston, Texas 77002
Telephone: (713) 425-8848
Fax: (713) 300-6044

DEVELOPER:
_____

By:_____
Name:_____
Title:_____

Address for Notices:

_____
_____
_____
Telephone:_____
Fax:_____
Attn:_____

SWEET PARIS FRANCHISE, LLC
AREA DEVELOPMENT AGREEMENT
EXHIBIT A
DEVELOPMENT AREA

The Development Area referred to in Section 2 of the Area Development Agreement shall be:

COMPANY:	**DEVELOPER:**
SWEET PARIS FRANCHISE, LLC	_____
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

SWEET PARIS FRANCHISE, LLC
AREA DEVELOPMENT AGREEMENT
EXHIBIT B
DEVELOPMENT SCHEDULE

1. **Development**. You agree to develop a total of ____ Sweet Paris Crêperies in accordance with the terms of this Agreement.

2. **Development Obligations**. You agree to open Sweet Paris Crêperies in accordance with the following Development Schedule:

Crêperie Number	Franchise Agreement Executed By: Date	Lease or Purchase Contract for an Approved Site Executed By: Date	Crêperie Opening By: Date	Cumulative Number of Crêperies To Be Open and In Operation No Later Than the Opening Date

COMPANY:
SWEET PARIS FRANCHISE, LLC

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

DEVELOPER:
_____

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

SWEET PARIS FRANCHISE, LLC
AREA DEVELOPMENT AGREEMENT
EXHIBIT C
GUARANTY AND ASSUMPTION OF OBLIGATIONS

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

In consideration of, and as an inducement to, the execution of that certain Area Development Agreement of even date herewith (the "Agreement") by _____, (the "Company"), each of the undersigned hereby personally and unconditionally (a) guarantees to the Company, and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that _____("Developer") shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including without limitation the arbitration provisions of Section 17.

Each of the undersigned consents and agrees that: (1) his direct and immediate liability under this guaranty shall be joint and several; (2) he shall render any payment or performance required under the Agreement upon demand if Developer fails or refuses punctually to do so; (3) such liability shall not be contingent or conditioned upon pursuit by the Company of any remedies against Developer or any other person; and (4) such liability shall not be diminished, relieved or otherwise affected by an extension of time, credit or other indulgence which the Company may from time to time grant to Developer or to any other person, including without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable during the term of the Agreement.

Each of the undersigned waives all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Developer arising as a result of the undersigned's execution of and performance under this guaranty.

If the Company is required to enforce this guaranty in a judicial or arbitration proceeding, and prevails in such proceeding, it shall be entitled to reimbursement of its costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If the Company is required to engage legal counsel in connection with any failure by the undersigned to comply with this guaranty, the undersigned shall reimburse the Company for any of the above-listed costs and expenses incurred by it.

[SIGNATURE PAGE FOLLOWS]

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

GUARANTOR(S)

_____

_____

_____

_____

SWEET PARIS FRANCHISE, LLC
AREA DEVELOPMENT AGREEMENT
EXHIBIT D
STATE-SPECIFIC ADDENDA

EXHIBIT D

FINANCIAL STATEMENTS

SWEET PARIS FRANCHISE, LLC

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

SWEET PARIS FRANCHISE, LLC

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

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David P. Chaney, CPA, P.C.
2500 E. TC Jester Blvd.
Suite 258
Houston, TX 77008
713-868-1174

INDEPENDENT AUDITOR'S REPORT

To the Member:
Sweet Paris Franchise, LLC

I have audited the accompanying financial statements of Sweet Paris Franchise, LLC (the Company), which comprise the balance sheets as of December 31, 2020 and 2019, and the related statement of income and member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 purposes of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sweet Paris Franchise, LLC, as of December 31, 2020 and 2019, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

David P. Chaney, CPA, P.C.

Houston, Texas
March 18, 2021

SWEET PARIS FRANCHISE LLC
BALANCE SHEETS
DECEMBER 31, 2020 AND 2019

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash	**$ 163,389**	$ 71,862
Accounts receivable	**3,028**	1,875
Incentive payments and franchisee servicing costs, short-term	**11,638**	11,638
Prepaid insurance	**185**	2,918
Total current assets	**178,240**	88,293
OTHER ASSETS		
Incentive payments and franchisee servicing costs, long-term	**76,331**	87,971
Total other asset	**76,331**	87,971
TOTAL ASSETS	**$ 254,571**	$ 176,264
LIABILITIES AND MEMBER'S CAPITAL		
CURRENT LIABILITIES:		
Accounts payable	**$ 9,873**	$ 13,283
Deferred revenue, short-term	**36,000**	36,000
Loans from sister company	**132,030**	101,131
Total current liabilities	**177,903**	150,414
LONG-TERM LIABILITIES		
Deferred revenue, long-term	**243,841**	279,841
Total long-term liabilities	**243,841**	279,841
TOTAL LIABILITIES	**421,744**	430,255
MEMBER'S CAPITAL:		
Managing member	**(167,173)**	(253,991)
Total member's capital	**(167,173)**	(253,991)
TOTAL LIABILITIES AND MEMBER'S CAPITAL	**$ 254,571**	$ 176,264

See accompanying notes and auditor's report.

SWEET PARIS FRANCHISE LLC
STATEMENTS OF INCOME AND MEMBER'S EQUITY
YEAR ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
REVENUE:		
Royalties	**$ 239,629**	$ 160,509
Initial franchise sales	**36,000**	15,817
Rebates	**-**	4,561
System ad fund royalties	**51,417**	51,389
Training	**-**	3,000
Total operating expenses	**327,046**	**235,276**
OPERATING EXPENSES:		
Advertising and promotion	**19,149**	31,981
Automobile	**5,508**	7,488
Bank fees	**1,668**	1,316
Cost of franchise acquisition	**11,639**	-
Dues	**2,295**	1,525
Legal and professional fees	**86,865**	98,442
Licenses and permits	**12,908**	17,496
Management fees	**72,499**	85,524
Meals and entertainment	**276**	127
Office	**1,835**	241
Printing	**-**	184
Samples	**-**	283
System ad fund expenses	**22,412**	104,877
Travel	**3,174**	6,329
Total operating expenses	**240,228**	355,813
NET INCOME/(LOSS)	**86,818**	(120,537)
MEMBER'S CAPITAL, BEGINNING OF PERIOD	**(253,991)**	(221,405)
Topic 606 adjustment to beginning equity (see Note 5)	**-**	87,951
MEMBER'S CONTRIBUTION/(DISTRIBUTIONS)	**-**	-
MEMBER'S CAPITAL, END OF PERIOD	**$(167,173)**	$(253,991)

See accompanying notes and auditor's report.

SWEET PARIS FRANCHISE LLC
STATEMENTS OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income/(loss)	**$ 86,818**	$ (120,537)
Adjustments to reconcile excess of revenues over expenses to net cash provided/(used) by operating activities:		
Decrease (increase) in:		
Accounts receivable	**(1,153)**	(1,875)
Due from related parties	**-**	756
Prepaid insurance	**2,733**	(2,918)
Incentive payments and franchisee servicing costs	**11,640**	(99,609)
Increase (decrease) in:		
Accounts payable	**(3,410)**	9,452
Credit card payable	**-**	(2,180)
Deferred revenue	**(36,000)**	155,841
Topic 606 adjustment to beginning equity (see Note 5)	**-**	87,951
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	**60,628**	26,881
CASH FLOWS FROM FINANCING ACTIVITIES		
Loans from sister company	**30,899**	15,858
NET CASH PROVIDED/(USED) BY FINANCING ACTIVITIES	**30,899**	15,858
NET INCREASE/(DECREASE) IN CASH	**91,527**	42,739
CASH AT BEGINNING OF PERIOD	**71,862**	29,123
CASH AT END OF PERIOD	**$ 163,389**	$ 71,862

See accompanying notes and auditor's report.

SWEET PARIS FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Sweet Paris Franchise, LLC (the Company) is a registered limited liability company organized under the laws of the state of Texas. It was organized on September 1, 2015 in Houston, Texas. The Company markets and operates franchise agreements for the "Sweet Paris Creperie" themed restaurants.

Estimates

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

Income Taxes

The Company is treated as an "S" corporation for federal income tax purposes. Consequently, federal income taxes are not payable by or provided for by the Company. The member is taxed individually on the Company's earnings. State income taxes are accrued and expensed as incurred.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of temporary cash investments. The Company places its temporary cash investments with banks that are FDIC insured. As of December 31, 2020 and 2019, there were no deposits that exceeded the FDIC insurance limit.

Royalty Revenue Recognition

Royalty revenue is recognized weekly when sales reports are submitted by the franchisees.

Accounts Receivable

Accounts receivable consist of contracted amounts based on franchisee balances for royalties and franchise fees. As of December 31, 2020 and 2019, management believes all receivables to be collectable. Therefore, no allowance for doubtful accounts has been established.

Revenue Recognition.

From 2014 through 2017, the Financial Accounting Standards Board ("FASB") issued standards to provide principles within a single framework for revenue recognition of transactions involving contracts with customers across all industries ("Topic 606"). The Company adopted Topic 606 at the beginning of the year ended December 31, 2019. Below is a discussion of how the Company's revenues are earned, the accounting policies pertaining to revenue recognition prior to the adoption of Topic 606 ("Legacy GAAP"), the accounting policies pertaining to revenue recognition subsequent to the adoption of Topic 606 and other required disclosures. Refer to Note 5 for information regarding the cumulative effect adjustment recorded to members' equity as of the beginning of the year ended December 31, 2019 to reflect the adoption of Topic 606. Also included in Note 5 is disclosure of the amount by which each balance sheet and income statement line item was impacted in the current reporting period as compared to Legacy GAAP.

Franchise Revenues

The timing and amount of revenue recognized related to royalties was not impacted by the adoption of Topic 606 based on the application of the sales-based royalty exception within Topic 606.

Upon the adoption of Topic 606, the Company determined that the services provided in exchange for upfront franchise fees, which primarily relate to pre-opening support, are highly interrelated with the franchise right and are not individually distinct from the ongoing services the Company provides to the franchisees. As a result, upon the adoption of Topic 606, upfront franchise fees are recognized as revenue over the term of each respective franchise. Revenues for these upfront franchise fees are recognized on a straight-line basis, which is consistent with the franchisee's right to use and benefit from the intellectual property.

System Ad Fund and Franchise Contributions

The Company collects a 1% advertising royalty from its franchisees. This 1% contribution is accounted for separately to fund a franchise wide marketing program.

In accordance with the provisions of Topic 606, the Company has determined that it acts as a principal in the transactions entered into for advertising services based on its responsibility to define the nature of the goods or services provided and/or its responsibility to define which franchisees receive the benefit of the goods or services. Additionally, the Company has determined the advertising services provided to franchisees are highly interrelated with the franchise right and therefore not distinct. Franchisees remit to the Company a percentage of restaurant sales as consideration for providing the advertising services. As a result, revenues for advertising services are recognized when the related restaurant sales occur based on the application of the sales-based royalty exception within Topic 606. Revenues for these services are typically billed and paid on a weekly basis. These revenues are presented as franchise contributions in the revenue section and expenses incurred to provide these services are presented as franchise advertising expense in the expense section in the Statements of Income and Members' Equity.

Subsequent Events

For the year ended December 31, 2020, management has evaluated subsequent events for potential recognition and disclosure through March 18, 2021, which is the date the financial statements were available to be issued.

NOTE 2 – RELATED PARTY TRANSACTIONS

The Company shares an office facility with a related party company. Additionally, personnel from this related party perform many functions of the company such as management and accounting. A management fee in the amount of $72,499 and $85,524 has been recognized for these services as of December 31, 2020 and 2019. As of December 31, 2020 and 2019, there is a balance due to related parties for $132,030 and $101,131 for management fees and cash advances.

NOTE 3 – DEFERRED REVENUE

As of December 31, 2020 and 2019, deferred revenue of $279,841 and $315,841 is presented in accordance with TOPIC 606 as discussed in Notes 1 and 5.

NOTE 4 – SYSTEM ADVERTISING FUND

The Company collects a 1% advertising royalty from its franchisees. This 1% contribution is accounted for separately to fund a franchise wide marketing program. For the year ended December 31, 2020 and 2019, due to the adoption of Topic 606, these amounts require gross presentation in the Statements of Income and Members' Equity. For the years ended December 31, 2020 and 2019, the Company collected $208,252 and $190,565 in System Advertising Fund revenue and expensed $150,095 and $204,808, respectively.

NOTE 5 – IMPACT OF ADOPTING NEW REVENUE RECOGNITION STANDARDS

In May 2014, the FASB issued ASU 2014-09, "Revenue from Contracts with Customers (Topic 606)". Topic 606 establishes standards to provide principles within a single framework for revenue recognition of transactions involving contracts with customers across all industries.

As discussed in Note 1, the Company adopted Topic 606 at the beginning of the year ended December 31, 2019, using the modified retrospective method. Topic 606 was applied to all contracts with franchisees as of January 1, 2019 and the cumulative effective of this transition was recorded as an adjustment to members' equity as of this date.

The new guidance clarifies the principles used to recognize revenue for all entities and requires companies to recognize revenue when it transfers goods or service to a customer in an amount that reflects the consideration to which a company expects to be entitled. The FASB has subsequently amended this guidance by issuing additional ASUs that provide clarification and further guidance

around areas identified as potential implementation issues, including principal versus agent considerations, licensing and identifying performance obligations, assessing collectability, presentation of sales taxes received from customers, noncash consideration, contract modification and clarification of using the full retrospective approach upon adoption. All of the standards are effective for annual and interim periods beginning after December 15, 2018 (the Company's fiscal year 2019). The guidance allows for either a retrospective or cumulative effect transition method with early application permitted. The Company will use the modified retrospective method of adoption.

The guidance is not expected to impact the recognition of the largest source of revenue, company royalties from franchised restaurants. However, the adoption will have an impact on initial franchise fees, and advertising arrangements with franchisees.

Since adoption in the current fiscal year ending December 31, 2019, initial franchise fees, which were previously recognized upon the opening of a franchise restaurant, are now deferred and recognized over the term of the underlying franchise agreement. The effect of the required deferral of initial franchise fees received in a given year is mitigated by the recognition of revenue from fees retrospectively deferred from prior years and the amortization of capitalized incentive payments and franchisee servicing costs. Upon adoption, the Company recorded an increase in members' equity of $87,951 as a cumulative effect adjustment reducing the opening deficit. Deferred revenue as of January 1, 2019 (the first day of fiscal 2019) related to previously recognized initial franchise fees was increased by $20,745. The deferred revenue resulting from the cumulative effect adjustment will be amortized over the lives of the individual franchise agreements.

Similarly, the benefits received from incentive payments made to brokers are not separate and distinct from the benefits received from the franchise right and thus those incentive payments will be amortized as a reduction of revenue over the period of expected cash flows from the franchise agreements to which the payment relates. Previously any payments made to brokers are recognized within the Statements of Operations and Members' Capital when the obligation to make the payment arises. These standards require any such unamortized portion of payments prior to adoption to be presented in the Balance Sheet as an asset. Since adoption, the recognition of unamortized incentive payments increased Total Assets by approximately $108,696.

NOTE 6 – CONCENTRATION OF BUSINESS

The Company's revenue is solely derived from the sale of franchise rights and royalties from franchisees. For the years ended December 31, 2020 and 2019, all royalties were collected from 6 locations and 3 locations, respectively, which accounted for 100% of revenue from royalties.

NOTE 7 – SUBSEQUENT EVENTS

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern.

In the first quarter of fiscal and calendar year 2020, the World Health Organization recognized the novel strain of coronavirus, COVID-19, as a pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, customers, economies, and financial markets globally, potentially leading to an economic downturn. A health pandemic is a disease outbreak that spreads rapidly and widely by infection and affects many individuals in an area or population at the same time. Customers might avoid public gathering places in the event of a health pandemic, and local, regional, or national governments might limit or ban public gatherings to halt or delay the spread of disease.

The conditions may impact customer traffic and the ability to adequately staff restaurants, receive deliveries on a timely basis or perform functions at the corporate level. The Company also may be adversely affected if jurisdictions in which the Company has franchises impose mandatory closures, seek voluntary closures, or impose restrictions on operations. Even if such measures are not implemented, the perceived risk of infection or significant health risk may adversely affect business. The Company cannot reasonably estimate the negative impact to the Company's business, revenues, financial condition or results of operations.

NOTE 8 – SUMMARY OF FRANCHISE UNITS

The changes in franchise ownership for fiscal years 2020 and 2019 are as follows:

	2020	2019
Number of franchises sold	0	5
Number of franchises purchased	0	0
Number of franchised outlets in operation	6	3
Number of franchisor-owned outlets in operation	4	4

SWEET PARIS FRANCHISE, LLC

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2019 and 2018

SWEET PARIS FRANCHISE, LLC

FOR THE YEARS ENDED DECEMBER 31, 2019 and 2018

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David P. Chaney, CPA, P.C.
2500 E. TC Jester Blvd.
Suite 258
Houston, TX 77008
713-868-1174

INDEPENDENT AUDITOR'S REPORT

To the Member:
Sweet Paris Franchise, LLC

I have audited the accompanying financial statements of Sweet Paris Franchise, LLC, (a Texas corporation), which comprise the balance sheets as of December 31, 2019 and 2018, and the related statement of income and member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 purposes of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sweet Paris Franchise, LLC, as of December 31, 2019 and 2018, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

David P. Chaney, CPA, P.C.

Houston, Texas
March 25, 2020

SWEET PARIS FRANCHISE LLC
BALANCE SHEETS
DECEMBER 31, 2019 AND 2018

	2019	2018
ASSETS		
CURRENT ASSETS		
Cash	**$ 71,862**	$ 29,123
Accounts receivable	**1,875**	-
Due from related parties	**-**	756
Prepaid insurance	**2,918**	-
Total current assets	**76,655**	29,879
OTHER ASSETS		
Incentive payments and franchisee servicing costs	**99,609**	-
Total other asset	**99,609**	-
TOTAL ASSETS	**$ 176,264**	**$ 29,879**
LIABILITIES AND MEMBER'S CAPITAL		
CURRENT LIABILITIES:		
Accounts payable	**$ 13,283**	$ 3,831
Credit card payable	**-**	2,180
Deferred revenue	**315,841**	160,000
Loans from sister company	**101,131**	85,273
Total current liabilities	**430,255**	251,284
Total liabilities	**430,255**	251,284
MEMBER'S CAPITAL:		
Managing member	**(253,991)**	(221,405)
Total member's capital	**(253,991)**	(221,405)
TOTAL LIABILITIES AND MEMBER'S CAPITAL	**$ 176,264**	$ 29,879

See accompanying notes and auditor’s report.

SWEET PARIS FRANCHISE LLC
STATEMENTS OF INCOME AND MEMBER'S EQUITY
YEAR ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
REVENUE:		
Royalties	**$ 160,509**	$ 59,005
Initial franchise sales	**15,817**	40,000
Rebates	**4,561**	1,500
System ad fund royalties	**51,389**	-
Training	**3,000**	-
Total operating expenses	**235,276**	**100,505**
OPERATING EXPENSES:		
Advertising and promotion	**31,981**	16,921
Automobile	**7,488**	6,405
Bank fees	**1,316**	990
Dues	**1,525**	1,406
Legal and professional fees	**98,442**	108,870
Licenses and permits	**17,496**	595
Management fees	**85,524**	74,245
Meals and entertainment	**127**	384
Office	**241**	1,194
Printing	**184**	148
Samples	**283**	617
Shipping	**-**	548
System ad fund expenses	**104,877**	-
Travel	**6,329**	186
Total operating expenses	**355,813**	212,509
NET INCOME/(LOSS)	**(120,537)**	(112,004)
MEMBER'S CAPITAL, BEGINNING OF PERIOD	**(221,405)**	(124,401)
Topic 606 adjustment to beginning equity (see Note 5)	**87,951**	-
MEMBER'S CONTRIBUTION	**-**	15,000
MEMBER'S CAPITAL, END OF PERIOD	**$(253,991)**	$(221,405)

See accompanying notes and auditor's report.

SWEET PARIS FRANCHISE LLC
STATEMENTS OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income/(loss)	**$ (120,537)**	$ (112,004)
Adjustments to reconcile excess of revenues over expenses to net cash provided/(used) by operating activities:		
Decrease (increase) in:		
Accounts receivable	**(1,875)**	-
Due from related parties	**756**	(756)
Prepaid insurance	**(2,918)**	-
Incentive payments and franchisee servicing costs	**(99,609)**	-
Increase (decrease) in:		
Accounts payable	**9,452**	2,931
Credit card payable	**(2,180)**	2,180
Deferred revenue	**155,841**	80,000
Topic 606 adjustment to beginning equity (see Note 5)	**87,951**	-
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	**26,881**	(27,649)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loans from sister company	**15,858**	6,533
Member's contribution	**-**	15,000
NET CASH PROVIDED/(USED) BY FINANCING ACTIVITIES	**15,858**	21,533
NET INCREASE/(DECREASE) IN CASH	**42,739**	(6,116)
CASH AT BEGINNING OF PERIOD	**29,123**	35,239
CASH AT END OF PERIOD	**$ 71,862**	$ 29,123

See accompanying notes and auditor's report.

SWEET PARIS FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 and 2018

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Sweet Paris Franchise, LLC (the Company) is a registered limited liability company organized under the laws of the state of Texas. It was organized on September 1, 2015 in Houston, Texas. The Company markets and operates franchise agreements for the "Sweet Paris Creperie" themed restaurants.

Estimates

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

Income Taxes

The Company is treated as an "S" corporation for federal income tax purposes. Consequently, federal income taxes are not payable by or provided for by the Company. The member is taxed individually on the Company's earnings. State income taxes are accrued and expensed as incurred.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of temporary cash investments. The Company places its temporary cash investments with banks that are FDIC insured. As of December 31, 2019 and 2018, there were no deposits that exceeded the FDIC insurance limit.

Revenue recognition

The Company recognizes franchise fee revenue for the sale of individual franchised locations when all initial services have been performed. Transaction fee revenue is recognized weekly when sales reports are submitted by the franchisees.

Accounts Receivable

Accounts receivable consist of contracted amounts based on franchisee balances for royalties and franchise fees. As of December 31, 2019 and 2018, management believes all receivables to be collectable. Therefore, no allowance for doubtful accounts has been established.

Revenue Recognition.

From 2014 through 2017, the Financial Accounting Standards Board ("FASB") issued standards to provide principles within a single framework for revenue recognition of transactions involving contracts with customers across all industries ("Topic 606"). The Company adopted Topic 606 at the beginning of the year ended December 31, 2019. Below is a discussion of how the Company's revenues are earned, the accounting policies pertaining to revenue recognition prior to the adoption of Topic 606 ("Legacy GAAP"), the accounting policies pertaining to revenue recognition subsequent to the adoption of Topic 606 and other required disclosures. Refer to Note 5 for information regarding the cumulative effect adjustment recorded to members' equity as of the beginning of the year ended December 31, 2019 to reflect the adoption of Topic 606. Also included in Note 5 is disclosure of the amount by which each balance sheet and income statement line item was impacted in the current reporting period as compared to Legacy GAAP.

Franchise Revenues

Under Legacy GAAP, royalties were recognized as the related restaurant sales occurred. The timing and amount of revenue recognized related to royalties was not impacted by the adoption of Topic 606 based on the application of the sales-based royalty exception within Topic 606. Under Legacy GAAP, revenue related to initial franchise fees was recognized upon store opening and renewal and transfer fees were recognized when the related agreement became effective. Upon the adoption of Topic 606, the Company determined that the services provided in exchange for these upfront franchise fees, which primarily relate to pre-opening support, are highly interrelated with the franchise right and are not individually distinct from the ongoing services the Company provides to the franchisees. As a result, upon the adoption of Topic 606, upfront franchise fees are recognized as revenue over the term of each respective franchise. Revenues for these upfront franchise fees are recognized on a straight-line basis, which is consistent with the franchisee's right to use and benefit from the intellectual property.

System Ad Fund and Franchise Contributions

The Company collects a 1% advertising royalty from its franchisees. This 1% contribution is accounted for separately to fund a franchise wide marketing program. Under Legacy GAAP, receipts and expenditures related to advertising were presented on a net basis in the Statements of Income and Members' Equity. Additionally, contributions to this fund were not an asset of the Company and were not included in revenue. Marketing expenditures from this fund were booked as incurred but were not shown as an expense item of the Company.

In accordance with the provisions of Topic 606, the Company has determined that it acts as a principal in the transactions entered into for advertising services based on its responsibility to define the nature of the goods or services provided and/or its responsibility to define which franchisees receive the benefit of the goods or services. Additionally, the Company has determined the advertising services provided to franchisees are highly interrelated with the franchise right and therefore not distinct. Franchisees remit to the Company a percentage of restaurant sales as consideration for providing the advertising services. As a result, revenues for advertising services are recognized when the related restaurant sales occur based on the

application of the sales-based royalty exception within Topic 606. Revenues for these services are typically billed and paid on a weekly basis. These revenues are presented as System ad fund royalties in the revenue section and expenses incurred to provide these services are presented as System ad fund expenses in the expense section in the Statements of Income and Members' Equity.

Subsequent Events

For the years ended December 31, 2019 and 2018, the Company has evaluated subsequent events for potential recognition and disclosure through March 25, 2020, which is the date the financial statements were available to be issued.

NOTE 2 – RELATED PARTY TRANSACTIONS

The Company shares an office facility with a related party company. Additionally, personnel from this related party perform many functions of the company such as management and accounting. A management fee in the amount of $85,524 and $74,245 has been recognized for these services as of December 31, 2019 and 2018. As of December 31, 2019 and 2018, there is a balance due to related parties for $101,131 and $85,273 for management fees and cash advances.

NOTE 3 – DEFERRED REVENUE

For the year ended December 31, 2018, prior to the adoption of TOPIC 606, the Company deferred revenue from the sales of franchise rights if they are received before all opening services had been completed. As of December 31, 2018, this totaled $160,000 on three franchise locations. As of December 31, 2019, deferred revenue of $315,841 is presented in accordance with TOPIC 606 as discussed in Note 1 and Note 5.

NOTE 4 – SYSTEM ADVERTISING FUND

The Company collects a 1% advertising royalty from its franchisees. This 1% contribution is accounted for separately to fund a franchise wide marketing program. For the year ended December 31, 2018, contributions to this fund were not an asset of the Company and were not included in revenue. Marketing expenditures from this fund were booked as incurred but not shown as an expense item of the Company. For the year ended December 31, 2018, advertising royalties of $11,801 were recognized. Marketing expenses in excess of these amounts were shown as a current period expense. As of December 31, 2018, there were no unexpended funds in the system advertising fund.

Under Legacy GAAP, amounts reported as franchise contributions and franchise advertising expense were presented on a net basis. For the year ended December 31, 2019, upon the adoption of Topic 606, these amounts require gross presentation in the Statements of Income and Members' Equity.

NOTE 5 – IMPACT OF ADOPTING NEW REVENUE RECOGNITION STANDARDS

In May 2014, the FASB issued ASU 2014-09, "Revenue from Contracts with Customers (Topic 606)". Topic 606 establishes standards to provide principles within a single framework for revenue recognition of transactions involving contracts with customers across all industries.

As discussed in Note 1, the Company adopted Topic 606 at the beginning of the year ended December 31, 2019, using the modified retrospective method. Topic 606 was applied to all contracts with franchisees as of January 1, 2019 and the cumulative effective of this transition was recorded as an adjustment to members' equity as of this date.

The new guidance clarifies the principles used to recognize revenue for all entities and requires companies to recognize revenue when it transfers goods or service to a customer in an amount that reflects the consideration to which a company expects to be entitled. The FASB has subsequently amended this guidance by issuing additional ASUs that provide clarification and further guidance around areas identified as potential implementation issues, including principal versus agent considerations, licensing and identifying performance obligations, assessing collectability, presentation of sales taxes received from customers, noncash consideration, contract modification and clarification of using the full retrospective approach upon adoption. All of the standards are effective for annual and interim periods beginning after December 15, 2018 (the Company's fiscal year 2019). The guidance allows for either a retrospective or cumulative effect transition method with early application permitted. The Company will use the modified retrospective method of adoption.

The guidance is not expected to impact the recognition of the largest source of revenue, company royalties from franchised restaurants. However, the adoption will have an impact on initial franchise fees, and advertising arrangements with franchisees.

Since adoption in the current fiscal year ending December 31, 2019, initial franchise fees, which were previously recognized upon the opening of a franchise restaurant, are now deferred and recognized over the term of the underlying franchise agreement. The effect of the required deferral of initial franchise fees received in a given year is mitigated by the recognition of revenue from fees retrospectively deferred from prior years and the amortization of capitalized incentive payments and franchisee servicing costs. Upon adoption, the Company recorded an increase in members' equity of $87,951 as a cumulative effect adjustment reducing the opening deficit. Deferred revenue as of January 1, 2019 (the first day of fiscal 2019) related to previously recognized initial franchise fees was increased by $20,745. The deferred revenue resulting from the cumulative effect adjustment will be amortized over the lives of the individual franchise agreements.

Similarly, the benefits received from incentive payments made to brokers are not separate and distinct from the benefits received from the franchise right and thus those incentive payments will be amortized as a reduction of revenue over the period of expected cash flows from the franchise

agreements to which the payment relates. Previously any payments made to brokers or lawyers for the successful sale of a franchise are recognized within the Statements of Operations and Members' Capital when the obligation to make the payment arises. These standards require any such unamortized portion of payments prior to adoption to be presented in the Balance Sheet as an asset. Since adoption the recognition of unamortized incentive payments increase Total Assets by approximately $108,696.

Previously the Company recorded advertising expense net of contributions from franchisees to the Company's advertising programs. Under the new guidance, the Company has included these revenues and expenditures on a gross basis within the Statements of Income and Members' Equity. While this change materially impacts the gross amount of reported franchise revenue and costs of franchise revenue, the impact is an offsetting increase to both revenue and expense such that there is no significant, if any, impact on net income.

NOTE 6 – CREDIT CARD PAYABLE

As of December 31, 2018, the Company has two credit cards with commercial bank. One has a $50,000 total limit and had an outstanding balance of $229 and the other has no preset credit limit had an outstanding balance of $1,951 as of December 31, 2018. Both credit cards are due in full every month. As of December 31, 2019, both credit cards accounts were closed and $0 were owed on both credit cards .

NOTE 7 – CONCENTRATION OF BUSINESS

The Company's revenue is solely derived from the sale of franchise rights and royalties from franchisees. For the years ended December 31, 2019 and 2018, all royalties were collected from 3 locations and 1 location, respectively, which accounted for 100% of revenue from royalties.

NOTE 8 - SUMMARY OF FRANCHISE UNITS

The changes in franchise ownership for fiscal years 2019 and 2018 are as follows:

	2019	2018
Number of franchises sold	5	3
Number of franchises purchased	0	0
Number of franchised outlets in operation	3	1
Number of franchisor-owned outlets in operation	4	4

EXHIBIT E

TABLE OF CONTENTS – OPERATIONS MANUAL

Front of House Table of Contents

Total Pages – 51

The Sweet Paris Crepes Guest Experience (10 pages)

- The Sweet Paris Crepe Guest Experience
  - Purpose of this Section
  - History of Sweet Paris Crepes
    - About the Founders
      - Ivan Chavez
      - Allison Young
  - EAT HERE FEED THERE™
    - Why We Chose Hunger
    - Why We Chose the United Nations World Food Programme
    - Why We Choose the U.N. School Meals Programme
    - A For-Profit Organization
    - How We Donate a Meal
  - Sweet Paris Crepes Core Values
    - Quality
    - Teamwork
    - Positive Attitude
    - Community Involvement
  - Guest Service Standards
    - Our Expectations for Guests
      - How to Greet Guests
      - First Time Guests
      - Waiting in Line
    - Telephone Guidelines
      - Answering the Phone
      - During the Conversation
      - Placing a Caller on Hold
  - Serving Guests
- The Serving Process
  - Assist Guests
  - Speed of Service
  - Creating a Sense of Urgency
  - If You Receive a Guest Complaint

Opening and Closing Procedures (7 pages)

- Opening and Closing Procedures
  - Purpose of this Section
  - Setting Up the Dining Area
  - Drink Station
    - Ice and Water Machine
    - Fountain Drinks
      - Changing out Bag-in-Box
    - Iced Tea
      - Brewing Iced Tea
    - Lemonade

Mixing Lemonade
Coffee
Grinding and Brewing Coffee
Brewing Coffee
Stocking
Cashier Station Set Up
Croissant Stand
Beverage Cooler

Taking an Order (8 pages)
Taking an Order
Purpose of this Section
Sweet Paris Crepes Menu
Breakfast Items
Eggs and Omelets
Breakfast Crepes
Waffles
Savory Crepes
Sweet Crepes
Kid's Crepes
Soups
Salads
Paninis
Beverages
Espresso Drinks
How to Take an Order
Step 1: Greet the Guest
Step 2: Take the Order
Helping Guests with their Order
Step 3: Repeat the Order
Step 4: Print the Ticket
Step 5: Thank the Guest

Cashiering (13 pages)
Cashiering
Purpose of this Section
Payment Procedures
Acceptable Forms of Payment
Cash Handling Procedures
How to Receive Cash Payments
If you lose count/track
Counterfeit Money
Processing Credit Cards
How to Receive Credit Cards for Payment
If Card Will Not Swipe
If Card Is Declined
If Guest Leaves Card
Credit Card Fraud
Sweet Paris Crepes Gift Cards
Loyalty Program

Special Situations at the Register
Tax Exempt Guests
Age-Restricted Purchases
Deleting Items
Voids
Refunds
Paid Outs
Guest Discounts
Manager Comp
Team Member Discount
Power Outage or POS Failure
Cash Drawer Procedures
Beginning a Shift
Assignment to Register
Opening Drawer
End of Shift Procedures
Closing the Cash Drawer
Preventing Theft at the Register
Banking Down
The Safe

Cleaning Procedures (13 pages)
Cleaning Procedures
Purpose of this Section
The Difference in Cleaning and Sanitizing
Methods of Sanitizing
Cleaning and Sanitizing Solutions
Sanitizer Solution
Degreaser Solution
Glass Cleaner
Stainless Steel Cleaner
Safety First When Using Chemicals
Daily Cleaning Procedures
Floors
How to Clean the Floor at Closing
Cleaning Up
Cleaning the Drains
How to Correctly Use a Mop
Walls, Wall Décor, Light Fixtures and Ceiling
Stainless Steel Surfaces
How to Clean
Trash Cans
Trash Disposal
How to Clean Trash Cans
Counters
How to Clean Counters
Fountain Drink Station
How to Clean
Iced Tea Canisters
How to Clean

Ice and Water Machine
    How to Clean
Coffee Brewer
Coffee Canisters
Espresso Machine
Tables
    How to Clean
Beverage Cooler
Chairs
    How to Clean
Windows
    How to Clean

Kitchen Manual Table of Contents

Total Pages – 186

Food Safety and Sanitation (19 pages)

- Food Safety and Sanitation
  - Purpose of this Section
  - Providing Safe Food
    - ServSafe Food Protection Manager Program
    - What is a Foodborne Illness?
  - Potential Hazards to Food Safety
    - How Food Becomes Unsafe
  - Preventing Foodborne Illnesses
    - How to Prevent Cross-Contamination
  - Safe Food Handling Practices
    - Hands
      - Hand Washing
    - Gloves
    - Work Surfaces
    - Knives
      - How to Care for Knives
    - Sanitation Buckets and Towels
    - Apron and Uniform
    - Personal Hygiene
  - Handling a Foodborne Illness Complaint
    - Media at Your Sweet Paris Crepes Restaurant
    - Health Department Complaint
- Controlling Food Quality and Safety
  - Receiving Product Deliveries
    - Inspect Deliveries
    - Check Boxes and Packaging
    - Check Temperatures
    - Check Appearance of Meats
    - Check Freshness of Produce
    - Notify Manager
  - Storing and Rotating Products
    - First In, First Out Storage Method
    - Shelf Life
    - Date Labeling
    - Guidelines for Storing and Rotating Products
      - Refrigerated and Frozen Storage
  - Controlling Time and Temperature
    - Danger Zone
    - Thawing Food Products
    - Cooling Foods
    - Reheating Foods
    - Holding Foods
      - Guidelines for Holding Foods
      - Steam Table
      - Sandwich Cart

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Maintaining Portion Control
Scale
Recipes

Opening and Closing Procedures (12 pages)
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Speed Rack, Sauces Steam Table, and Batters
Sauces Steam Table
Crepe Station Closing Procedures
Curing the Crepe Griddle
Reach-in Coolers
Reach-in Coolers Set Up
Opening Preparation
Breakfast Steam Table
Panini Station Set Up
Reach-In Cooler Underneath Panini Station
Waffle Station
Waffle Station Closing Procedures
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Expo Station Set Up

Prepping Produce and Proteins (13 pages)
Prepping Produce and Proteins
Prepping Produce
Guidelines for Prepping Produce
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Bananas
Basil
Butter
Capers
Cheeses
Asiago, Fontina, and Swiss Cheeses
Brie and Gruyere Cheese
Feta and Ricotta Cheese
Mozzarella and Pepper Jack Cheese
Cherry Tomatoes
Chives
Cilantro
Dried Cranberries
Granny Smith Apples
Grapes
Jalapenos
Lemons
Lemon Wedges (for beverages)
Lemon Slices (for garnish)
Mushrooms

Olives
Pickled Red Onions
Potatoes (breakfast)
Reheating Breakfast Potatoes
Toasted Almonds
Spinach
Spring Mix
Strawberries
Toasted Coconut
Walnuts
Prepping Proteins
Bacon
Chicken, Ham, and Turkey
Prosciutto
Pork (for carnitas)
Smoked Salmon
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Prepping Batters and Sauces (19 pages)
Prepping Batters and Sauces
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Regular Crepe Batter
Mixing Procedures
Vegan Batter
Mixing Procedures
Waffle Batter
Mixing Procedures
Sauces
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Cooking Procedures
Balsamic Vinaigrette
Mixing Procedures
Basil Pesto
Mixing Procedures
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Dijon Vinaigrette
Mixing Procedures
Dill Sour Cream
Houstonian Sauce
Prepping Procedures
Mexi Crème
Mixing Procedures
Roux
Cooking Procedures
Strawberry Coulis

Cooking Procedures
Sundried Tomato Pesto
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Breakfast Crepe Fillings
Feast Cream
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Sweet Crepe Fillings
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Crème Brulee Cream
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Cooking Procedures
Refried Black Beans
Cooking Procedures

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Mixing Procedures
Streusel
Cooking Procedures
Savory Crepe Fillings
BBQ Pulled Pork
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Chicken Florentine Mix
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Refried Black Beans
Cooking Procedures
Preparing Crepe of the Month Sauces
Bordelaise Sauce
Cooking Procedures
Swiss Cheese Sauce
Cooking Procedures

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Preparing Paninis and Soups

Preparing Paninis
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Preparing a Trios Fromages Panini
Prosciutto Panini
Preparing a Prosciutto Panini
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Storing French Onion Soup
Reheating French Onion Soup
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Storing Three Mushroom Soup
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Create Your Own Omelet
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Croque Madame
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The Houstonian
Making The Houstonian Crepe
Le Mexicain Crepe
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Making "The Feast" Crepe
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Dulce de Leche with Strawberries
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Making a Nordic Crepe
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Making a Vegan Crepe

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Degreaser Solution
Glass Cleaner
Stainless Steel Cleaner
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How to Correctly Use a Mop
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How to Clean Trash Cans
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How to Clean Counters
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Panini Press
Dishwashing Station
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Sanitizer Buckets
Stove (Induction Oven)
How to Clean
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How to Clean
Convection Oven
Pots, Pans, Utensils and Equipment Parts
How to Clean
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How to Clean
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    - Lead by Example
  - Understanding Leadership
    - Dynamic Leadership
    - Accountable Leadership
  - Results vs. Activities
    - The Difference Between Activities and Results
  - Understanding Expectations
    - Managing by Walking Around
  - Monitoring Results
  - Use a Systematic Approach
  - Leadership Skills
    - Build Trust and Rapport
    - Clarify Your Role (Intent)
    - Agree on Ground Rules
    - Demonstrate Empathy
    - Redirect Negative Thinking
    - Maintain Integrity
  - Inspiring Your Team
    - Know Your Team
    - Respect Your Team
    - Inform Your Team
  - Mentoring on the Job
    - People and Habits
    - Do Not Make Assumptions
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    - Handling Performance Problems
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  - Key Concepts of Operational Planning
  - The Four Operational Planning Steps
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Tips
Overtime Pay
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Job Descriptions
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        2. *Discuss the New Team Member's Job Description*
        3. *Review Wages and Pay Periods*
        4. *Review Sweet Paris Operating Policies and Procedures*
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        6. *Tour the Restaurant*
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    Investing in Your Team
    Training New Team Members
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    General Principles to Make Training More Effective
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  - Creating a Learning Organization
- Coaching and Counseling
  - Importance of Giving Feedback
    - Timing of Feedback Sessions
    - Guidelines for Giving Feedback
  - Coaching Employees
    - Key Factors of Effective Coaching
    - Questions to Consider for Knowing When to Coach an Employee
    - Questions to Determine Who Needs Coaching
    - Key Points for Coaching
  - Disagreements About Performance
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  - ABC's of Documentation
- Performance Improvement Process
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- Performance Evaluations
  - Overview
  - Performance Evaluations Success Factors
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    - Rules of Conduct
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What to do About Team Member Credit Card Fraud
What You Need to Make a Case for Fraud
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Checklists and Forms
Purpose of this Section
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EXHIBIT F

STATE SPECIFIC ADDENDUM

ADDITIONAL DISCLOSURES FOR THE FRANCHISE DISCLOSURE DOCUMENT OF SWEET PARIS FRANCHISE, LLC

The following are additional disclosures for the Franchise Disclosure Document of Sweet Paris Franchise, LLC required by various state franchise laws. Each provision of these additional disclosures will only apply to you if the applicable state franchise registration and disclosure law applies to you.

CALIFORNIA

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

2. SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.

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

4. The following is added at the end of Item 3:

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

5. Item 6 is amended by adding the following to the Remarks in the "Late Fee and Interest on Overdue Payments" section:

> The maximum allowable interest rate in California is 10% per annum.

6. The following paragraphs are added at the end of Item 17:

> California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or nonrenewal of a

franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, and the law applies, the law will control.

The Franchise Agreement contains a covenant not to compete that extends beyond termination of the franchise. This provision might not be enforceable under California law.

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

The Franchise Agreement requires application of the laws of the State of Texas. This provision might not be enforceable under California law.

The Franchise Agreement requires pre-litigation mediation and arbitration. The mediation and arbitration will be conducted at a suitable location chosen by the mediator or arbitrator, which is within a five (5) mile radius of our then-current principal place of business (currently Houston, Texas). The Franchise Agreement also require that any action you bring be commenced in federal or state courts in the state, and in (or closest to) the county, where Franchisor's headquarters are then located (currently Harris County, Texas). Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement restricting venue to a forum outside the State of California.

The Franchise Agreement requires you to sign a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 might void a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000 – 31516). Business and Professions Code Section 20010 might void a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

We have agreed that under the Franchise Agreement, the initial franchisee fee shall be deferred until we have met all material pre-opening obligations to you. The initial franchise fee shall become immediately due and payable at which time such material pre-opening obligations to you have been met.

State Effective Dates

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

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

Item 23

RECEIPT

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

If Sweet Paris Franchise, 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. [However, some state franchise laws require Sweet Paris Franchise, LLC to provide this Disclosure Document to you at the first personal meeting held to discuss the franchise sale or 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.]

If Sweet Paris Franchise, 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 the appropriate state agency identified on Exhibit A.

The name, principal business address, and telephone number of each franchise seller offering the franchise are as follows: Ivan Chavez, Allison Chavez, Ivette Escobar and Scott Haehnel, Sweet Paris Franchise, LLC, 4400 Post Oak Parkway, Suite 2250, Houston, Texas 77027, (713) 234-6855; and _____ _____.

Issuance Date: April 29, 2021.

We authorize the respective state agents identified on Exhibit A to receive service of process for us in the particular states.

I received a Disclosure Document from Sweet Paris Franchise, LLC dated as of April 29, 2021, that included the following Exhibits:

Exhibit A	State Administrators/Agents for Service of Process
Exhibit B	Franchise Agreement
Exhibit C	Area Development Agreement
Exhibit D	Financial Statements
Exhibit E	Table of Contents – Operations Manual
Exhibit F	State Specific Addendum

_____	_____
Date	Prospective Franchisee [Print Name]
	_____
(Date, Sign, and Return)	Prospective Franchisee [Signature]

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Exhibit F	State Specific Addendum

Date	Prospective Franchisee [Print Name]
(Date, Sign, and Keep for your Records)	Prospective Franchisee [Signature]