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FRANCHISE -DISCLOSURE -DOCUMENT

The COOP Franchise Group, LLC
, a California Limited Liability Company
11118 Ventura Boulevard
THE COOP Studio City, California 91604
Phone (818) 760-9613
Email info@thecoop-la com

~~The franchises described in this disclosure document are for the operation of~~As a franchisee, you will operate a modern play and party space for kids and adults, with an eye to design and a penchant for chic parties ~~that parents can enjoy~~ under the name the COOP® and other trademarks we designate

The total investment necessary to begin operation of the COOP® franchise is between ~~$130,500~~ $131,900 and ~~$283,500~~281,900 This ~~includes a $35~~between $39,000 ~~franchise fee~~ and $43,000 that ~~must be paid to the~~ franchisor

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

You may wish to receive your disclosure document in another format that is more convenient for you To discuss the availability of disclosure in different formats, contact ~~the COOP Legal Department at the above address and telephone number~~ our legal department at 11118 Ventura Boulevard, Studio City, California 91604, phone (818) 760-9613, or email us at info@thecoop-la com

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

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

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

~~Date March 15, 2017~~

Issuance Date April 2, 2018

STATE COVER PAGE

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

Call the state franchise administrator listed in Exhibit C for information about the franchisor or about franchising in your state

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

Please consider the following RISK FACTORS before you buy this franchise

1 THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN LOS ANGELES COUNTY, CALIFORNIA OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO- ARBITRATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE

2 THE FRANCHISE AGREEMENT REQUIRES THAT CALIFORNIA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW YOU MAY WANT TO COMPARE THESE LAWS

3 ARBITRATION WILL NOT BE USED FOR ANY DISPUTE WHICH INVOLVES A FRANCHISEE'S CONTINUED USAGE OF ANY OF THE MARKS OR ANY ISSUE INVOLVING INJUNCTIVE RELIEF AGAINST FRANCHISEE, ALL OF THESE ISSUES WILL BE SUBMITTED INITIALLY TO A COURT IN LOS ANGELES, CALIFORNIA THE PARTIES CONSENT TO PERSONAL JURISDICTION IN CALIFORNIA OVER ANY SUCH ISSUES NOT SUBJECT TO ARBITRATION

~~4 THIS FRANCHISOR IS A DEVELOPMENT STAGE COMPANY WITH LIMITED~~
4 FRANCHISE OPERATING HISTORY YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE

5 THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM $131,900 TO $281,900 THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDER'S EQUITY OF $23,193 AS OF DECEMBER 31, 2017
~~INVESTMENT RANGING FROM $130,500 $ 283,500 THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDER'S EQUITY OF $98,629 AS OF MARCH 1, 2017~~

6 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise A franchise broker or referral source represents us, not you We pay this person a fee for selling our franchise or referring you to us -You should- be sure to do your own

investigation of the franchise

~~Effective Date - See the next page for state effective dates~~

STATE EFFECTIVE DATES

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

This Disclosure Document is either not registered or registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates

California

~~Connecticut~~ ~~Trademark Exempt~~ Hawaii

Illinois

Indiana

~~Maine~~ ~~Trademark Exempt~~

Maryland

Michigan

Minnesota

New York

~~North Carolina~~ ~~Trademark Exempt~~

North Dakota

Rhode Island ~~South Carolina Trademark Exempt~~

South Dakota

Virginia

Washington

Wisconsin

MICHIGAN SPECIFIC-NOTICE

The state of Michigan prohibits certain unfair provisions that are sometimes in franchise documents If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you

(a) A prohibition of the right of a franchisee to join an association of franchisees

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

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

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

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

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

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

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

(ii) The fact that the proposed transferee is a competitor of the franchisor or sub-franchisor

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

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the

franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer

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

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been ~~filed as~~ made for providing the required ~~by the state's business opportunity laws and this Disclosure Document is effective~~contractual services

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

Note Despite subparagraph (f) above, we intend, and we and you agree to fully enforce the arbitration provisions of the Franchise and Multi-Unit Agreements We believe that paragraph (f) is unconstitutional and cannot preclude us from enforcing these arbitration provisions You acknowledge that we will seek to enforce this section as ~~of the date specified below~~ written

~~Florida May 26, 2015~~
~~Kentucky May 27, 2015~~
~~Nebraska~~

The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general

Any questions regarding this notice should be directed to the Attorney General's Department for the State of Michigan, Consumer Protection Division, Franchise Section, 670 Law Building, 525 W Ottawa Street, Lansing, Michigan 48913, (517) 373-7117

~~Texas~~ ~~May 27, 2015~~
~~Utah~~

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Receipts

ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this disclosure document, the words "**We**", "**Us**", or "**Our**" mean the franchisor ~~the~~The COOP Franchise Group, LLC "**You**" -or- "**Your**" means the person who buys the franchise and includes Your owners if You are a corporation, limited liability company, partnership or other business entity Bold face terms are for ease of reference only

The Franchisor

We are a California limited liability company formed on March 2, 2015~~ to franchise the premiere party and play place started in Los Angeles, CA The~~ Our principal business address is 11118 Ventura Boulevard, Studio City, California, 91604 We do business under the name "the COOP®" and other trademarks we designate (the "**Trademarks**") We began offering franchises in May 2015 We have never offered franchises in any other line of business

Our founders' ("the COOP chicks" as they affectionately refer to themselves) clientele includes movie stars, rock stars, sports stars, style makers, and "regular" mommies – just like themselves What all these people have in common is an appreciation for upscale, modern-cooking parties created for kids and loved by adults under the -name the COOP® (**"Business")** Design is at the heart of the COOP Well-designed furniture, well-designed toys, and well-designed and executed parties

~~We do not do business under any other name Our principal business address is 11118 Ventura Blvd , Studio City, CA 91604 Our agents for service of process are listed on Exhibit C We began offering franchises in May 2015~~

Our Parents, Predecessors and Affiliates

We do not have any predecessor We do not have any parent We have one affiliate, Luce Jules, LLC, a California limited liability company (the **"Company"~~)~~**"), which was formed in April 2008 The Company and Our approved suppliers may sell equipment and related products and services to Our franchisees- and retailers The Company's corporate offices are located at 11118 Ventura Blvd , Studio City, CA 91604

The Company started the COOP® concept and opened the first the COOP location on October 4, 2008 and sold similar businesses under a separate licensing program Neither the Company nor We have previously offered franchises in this or any other line of business We and/or Our affiliates, including the Company, ~~plan to~~may operate additional corporate-owned Businesses in the future ~~We operate under Our corporate name and the trademarks described in this disclosure document and other designated trademarks, trade names, services marks and logos (the "Marks")~~

Other than as stated above, we do not have any affiliates that offer franchises in any line of business or provide products or services to our franchisees

Description of the Franchise

We grant franchises for Businesses operating under the COOP® name and other ~~Marks If granted a franchise, You will purchase recommended and required furniture, fixtures, signage, inventory, and related services and products from the~~Trademarks You will

operate your Business under a system that includes our valuable know-how, information, trade secrets, training methods, Manual, standards, designs, trademark usages, copyrights, sources and specifications, confidential electronic and other communications, methods of Internet usage, marketing programs, and research and development connected with the operation and promotion of Businesses, all of which may be changed, improved, and further developed from time-to-time (the "**System**")

~~Company and/or Our affiliates and will operate a Business franchised by Us under a marketing system prescribed by Us (the "**System**")~~

Your

~~Your Business will offer various products and services associated with~~ children recreation, ~~including rope climbing structures, slides, bounce houses, ball pits, dance floors, and dress-up areas (the "**Products and Services**")~~

~~Subject in every case to Our approval, You are responsible for finding and selecting the specific physical location in which to open Your Business (the "**Location**")~~ ~~You must receive Our written approval before signing any lease for Your Location We will provide You with marketing assistance and programs to assist You in opening and operating Your Business and to promote all Businesses on a System-wide basis~~

~~Each~~ Business will use Our System and operate according to Our standards, specifications, operating procedures and rules (the "**System Standards**")

Your

~~Each~~ Business will emphasize well-trained, efficient and personable employees who demonstrate their personal care about the Business and the needs of their customers

~~Franchise Agreement~~

You will complete and sign a Franchise Agreement with Us (See **Exhibit A**) which will describe what You and We agree will be the area in which You will operate Your Business ("**Your Territory**")

Your Business will offer various products and services associated with childrens' recreation, including rope climbing structures, slides, bounce houses, ball pits, dance floors, and dress-up areas (the "**Products and Services**") Subject in every case to Our approval, You are responsible for finding and selecting the specific physical location in which to open Your Business (the "**Location**")

Market and Competition

Your market includes the general public, but primarily adults and children interested in clean, fun, and safe environments in which to enjoy various exercises and activities Your Business will be competing with other companies that offer child development, ~~parties~~party facilities, trampoline parks, and educational classes on the local and national level ~~These companies~~You may ~~compete directly with the products and services of Your Business and may have financial, personnel, and~~also encounter competition from other ~~resources greater than Us or You You will compete for business in this environment, and understand that there is no guarantee of Your success~~the COOP® Businesses

~~Industry Regulation~~

~~Many states and local jurisdictions have enacted laws, rules, regulations and ordinances that may apply to the operation of Your Business You must comply with all local, state and federal laws that apply to the operation of Your Business These include applicable health and safety laws, permits, sales tax licenses and similar regulations These regulations may vary depending on the region in which You operate~~

~~Your Business. You may be required to apply for various local or state licenses based on the Products and Services You over through Your Business. The~~

~~Americans with Disabilities Act requires readily accessible accommodations for people with disabilities and therefore may affect some of Your operations~~

~~Many landlords, especially if Your Business is located within a retail development, will regulate the sale of certain products and services and may obligate You to use clauses in the lease that regulate or limit what products or services You may offer and sell from Your Location~~

~~Most jurisdictions have laws and regulations that apply to all businesses generally, these may include~~

~~Federal Examples of federal laws are wage and hour, occupational health and safety, equal employment opportunity, communication to employees, environmental, and Americans with Disabilities Act~~

~~State State laws may cover the same topics as federal laws Examples of state laws also include environmental, occupational health and safety, and fire, health and building and construction laws~~

~~Local Local laws may cover the same topics as federal and state laws~~ Changes in local and national economic conditions and population density affect this industry and are generally difficult to predict You will face other business risks that could have an adverse effect on your business, including pricing policies of competitors, changes to laws or regulations, changes in supply and demand, regional or national economic health, neighborhood demographic and traffic patterns, new technologies, and competition that provides related products

Industry-Specific Regulations

In addition to laws and regulations that apply to businesses generally, your Business will be subject to various federal, state and local government regulations, including those relating to site location and building construction, such as the Americans with Disabilities Act Some jurisdictions have passed laws that require businesses to pay their employees a higher minimum wage than what is required under federal law, which laws may disproportionately affect franchised businesses

~~Other~~ ~~examples of local laws will include zoning, fire codes and waste disposal~~

You should investigate the applicability of these and possibly other regulations in the area in which You are interested in locating Your Business and should consider both their effect and cost of compliance You are solely responsible for determining and remitting all sales and use taxes applicable to the operation of Your Business We recommend consulting with Your attorney concerning these and other laws and ordinances that may affect the operation of Your Business

ITEM 2

~~**BUSINESS EXPERIENCE**~~

BUSINESS EXPERIENCE

Co-Owner -Juliet Ward Boydstun

Juliet has ~~Our co-owner and co-owner of the Company~~held this position since ~~it's~~our inception in ~~October 2008 Juliet's primary focus~~March 2015 Juliet also is and has been ~~planning, prepping and executing parties on behalf of the Company's location~~co-owner of the Company, in Los Angeles, ~~CA~~ California, since its inception in October 2008

Co-Owner -Lucinda Gould Lent

Lucinda has ~~been Our co-owner~~ held this position since ~~October 2008 where she has been focused on the day to day business including but not limited to, design, promotion, staffing, payroll, and maintenance~~ our inception in March 2015 Lucinda ~~has~~ also ~~created and executed over a thousand parties in that time Lucinda is based~~and has been co-owner of the Company, in Los Angeles, ~~CA~~ California, since its inception October 2008

Investor Barbara Corcoran

Barbara ~~became~~has held this position since our inception in March 2015 Barbara also is and has been an ~~owner of Us and~~ investor in the Company in Los Angeles, California since December 2012 In addition, since its inception in September 2003, she is and has been the principal of Barbara Corcoran, Inc~~, a~~ in New York ~~corporation She is a business consultant, real estate investor, author, speaker and TV personality Barbara is based in~~ , New York~~, NY~~ .

ITEM 3

LITIGATION

No litigation information is required to be disclosed in this item

ITEM 4

BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item

ITEM 5

INITIAL FEES

Initial Franchise Fee

You must pay Us an initial franchise fee of $35,000 in a lump sum when You sign the Franchise Agreement ~~Our standard initial franchise fee for new franchise owners is currently $35,000~~ (the **"Initial Franchise Fee"**) ~~We fully earn the Initial Franchise Fee when paid~~ We use the Initial Franchise Fee to cover Our costs in evaluating Your proposed Location(s) for Your Business, training You, and helping You develop and open Your Business

The Initial Franchise Fee is uniformly imposed on all new franchise owners ~~We reserve the right to~~, except that we may reduce the Initial Franchise Fee for new franchisees on a case-by-case basis as We deem appropriate ~~We may~~, or grant franchises to Our owners and employees and their family members with reduced or no Initial Franchise Fee

In Our sole discretion, the Initial Franchise Fee may be refunded up to 20%, and Your Franchise Agreement terminated, in the event You (i) do not complete the required initial training to Our satisfaction within 3 months of signing Your Franchise Agreement, or (ii) do not submit to Us for Our approval the desired Location for Your Business within 6 months of signing Your Franchise Agreement, or (iii) do not open Your Business within 9 months of signing Your Franchise Agreement

We have a Veteran's Program offering a discount of ten percent (10%) off the Initial Franchise Fee (the **"Veteran's Program"**) The Veteran's Program is offered to current members of the United States Military and ~~Veterans~~also veterans who received an honorable discharge from a branch of the

United States Military ~~This discount to the **Initial Franchise Fee** only applies to Franchise Agreements You enter into with Us~~

~~during the time We offer this program We reserve the right to modify or terminate this program at any time, but no modification or termination will affect any Franchise Agreement You signed during the time the program was offered~~

~~The total range of the initial payments to Us and the Company will vary depending on the geographic location and size of the Location You propose for Our approval~~

~~There are no other payments to or purchases from Us or any affiliate that You must make before Your Business opens~~

Initial Training

We will provide initial training and training materials for up to two (2) individuals that you designate at no extra charge to you If you wish to have more than two people at training, we will charge you a training fee of $1,000 for each additional person For any training that you undergo, you must pay for your and any other trainee's travel, meal and lodging expenses This fee is not refundable

Grand Opening Advertising

You will be required to spend a minimum of $4,000 on grand opening advertising and promotions in Your local market Although We expect that You will spend this amount directly under most circumstances, We have the right to collect this amount from You prior to Your opening so that We can conduct grand opening and marketing promotions and advertising on Your behalf This fee is not refundable

Party Crates

You must purchase from Us a total of 16 "the COOP®"-branded party crates, at a price of $250 00 each (for a total of $4,000), for use at theme parties You offer at Your Business Each crate contains 2 table cloths, 12 paper plates and napkins, 12 plate place settings, 2 giant balloons with tassels, a large decorative centerpiece, and a "happy birthday" banner The amount you pay us for the party crates is not refundable

ITEM 6

OTHER FEES

~~NAME OF FEE (1)~~Type of Fee (Note 1)	~~AMOUNT~~Amount	~~DUE DATE~~Due Date	~~REMARKS~~Remarks
~~Franchise~~Royalty ~~Fee~~	6% of Gross ~~Revenue~~ (Sales or $750 per month, whichever is greater (Note 2)	8th day of Month, or the next business day if the 8th is not a business day (Note 3)	~~After Your Business is open for 6 months, the~~The minimum ~~Franchise Royalty Fee that You~~royalty will ~~pay Us each~~be due beginning in Your seventh full month ~~is $750~~of operations

~~NAME OF FEE~~ (1) Type of Fee (Note 1)	~~AMOUNT~~ Amount	~~DUE DATE~~ Due Date	~~REMARKS~~ Remarks
Marketing Fund Fee ~~(4)~~	1% of Your Gross ~~Revenue~~ Sales	~~Payable at the~~ 8th day of month, or the next business day if the 8th is not a business day	Based on Your Gross Sales during the previous month
Local Advertising Requirement	~~(2)~~ 1% of Your Gross Sales	~~same time and in~~ 8th day of month, or the next business day if the 8th is not a business day	You spend this amount on advertising in your area If you do not, we have the right to collect this amount from you and spend it as part of the Marketing Fund
Additional Initial Training	Our then-current tuition fee as published in the Manual, currently $1,000 per attendee	~~the same manner~~ Prior to Our providing any such training or advice	Payable if You request, or We require, initial training for a new individual or individuals in excess of the two (2) that You may bring to the initial training program You must pay all travel, meal, lodging, salary, and living expenses for Your attendees
Additional Periodic Training	Our then-current tuition fee as published in the Manual	~~as the Franchise~~ Prior to our providing any such training or advice	We have the right to require you and your staff to attend additional periodic training courses, which will occur at our headquarters or another location we select You must pay all travel, meal, lodging, salary, and living expenses for your attendees if the training occurs at a Business other than yours
Uniforms	$100 - $500	~~Royalty Fee~~ Upon receiving an invoice	You must purchase new uniforms if You add employees or as existing uniforms are worn out
~~Local Marketing~~ Transfer Fee	~~1% of Gross Revenue~~ 50% of Our then-current initial franchise fee	~~At Your~~ No fewer than five (5) days before You complete Your transfer	Applicable only if You choose to transfer Your Franchise Agreement Our consent is required for any transfer
~~Requirements~~ Renewal Fee	20% of Our then-current initial franchise fee	~~discretion over~~ Upon signing Your renewal franchise agreement	Payable if You wish to obtain the right to continue operating as Our franchisee after the end of Your initial franchise term
Relocation Fee	$5,000	~~the course of the~~ Before relocation is approved	If You decide to relocate Your Business from the Location We originally approved

~~NAME OF FEE (1)~~Type of Fee (Note 1)	~~AMOUNT~~Amount	~~DUE DATE~~Due Date	~~REMARKS~~Remarks
Reservation System	Your pro rata share of our costs for operating the system	~~month~~As incurred	We may operate a Systemwide reservations system for customers, and you must pay us for your share of the expense of operating it
~~Additional Initial~~Management Fee	~~Our then-current fee~~Our personnel, administrative, and travel costs, plus fifteen percent (15%)	~~Upon Invoice~~As incurred	~~You must pay any~~Due when We (or a third party) manage Your Business after Your death, disability, or by exercising Our step-in rights
~~Training Program Fee~~Late, Dishonored Payment, or Insufficient Funds Fee	$100 per ~~additional person,~~month	As incurred	~~expenses You or Your~~Payable only if You do not pay Your bills on time, if any check, electronic payment or other payment You tender to Us is not honored for any reason
Costs, administrative expenses, and attorneys' fees	~~plus expenses~~ Will vary under circumstances (Note 4)	Upon settlement or conclusion of a claim or action, in resolution of Our efforts to collect past-due fees from You, or when We take action against You in response to Your default of the Franchise Agreement	~~employees incur while~~Due when You do not comply with the Franchise Agreement
Audit Fees (Note 4)	~~Current fee = up to $1,000 per person~~Actual cost of audit fees, plus the underreported fees, late charges on those fees, and interest on the fees You did not pay at 1 5% per month	As incurred	~~attending the Initial Training Program, including travel and~~Payable only if the audit shows an understatement greater than 2% of reported amounts
Insurance	Our cost of premiums	Upon demand	~~applicable wages~~Payable only if You fail to maintain required insurance coverage and We elect to obtain coverage for You

~~NAME OF FEE~~ (1) Type of Fee (Note 1)	~~AMOUNT~~ Amount	~~DUE DATE~~ Due Date	~~REMARKS~~ Remarks
Indemnification~~Uniforms~~	~~$100 — $500~~ Will vary under circumstances	~~Upon Invoice~~ As incurred	~~You must purchase new uniforms if You add employees or as existing uniforms are worn out~~ Payable to indemnify us, Our affiliates and owners, officers, employees, agents, successors, and assigns against all claims related to Your ownership and operation of Your Business

Transfer Fee	20% of Our then-current Initial Franchise Fee, plus expenses associated with the transfer	Before transfer is completed	The transferee must sign Our then-current Franchise Agreement
Renewal Fee	20% of Our then-current Initial Franchise Fee	Before renewal is completed	You must sign Our then-current Franchise Agreement
Relocation Fee	$5,000	Before relocation is approved	If You decide to relocate Your Franchise from the Location We originally approved
Step-In Right Expenses	Amounts will vary	As incurred	
Late Payment Fee	$100 per month	Upon invoice, if incurred	The $100 per month late fee applies each time a payment is late to Us or the Company and will accrue until payment is received in full for the amount due
Attorney Fees	Reasonable amount to prevailing party in any legal proceeding	Upon conclusion of the legal proceeding	
Audit (5)	Cost of audit (anticipated to be $1,000 to $5,000)	Upon Invoice	If an audit of Your books reveals an understatement of 2% or more of Gross Sales or any payment due to Us, You must also pay the late fee and interest on the understated amount
Dispute Resolution	Costs and attorney's fees as incurred	Upon determination of the prevailing party	
Insurance	Reimbursement of Our costs	Upon demand, if incurred	If You fail to maintain the required insurance, We may, but are not obligated to, obtain insurance on Your behalf
Indemnification	Amount of claim and costs incurred (6)	Upon Demand	You must indemnify Us, Our affiliates and Our officers and employees related to Your operation of Your Business

FOOTNOTES

(1) You must pay all of these payments to Us except as otherwise noted in the above chart None of these fees are refundable for any reason ~~You may at Your option also pay Us or the Company for additional services selected by You~~ All ongoing fees are imposed uniformly on all franchisees except that We may allow franchisees to pay a lower ~~Franchise Royalty Fee~~royalty fee based on when they became a franchisee ~~In other words, You may be required to pay a higher Franchise Royalty Fee compared to another franchisee who joined the System before You~~ You are solely responsible for determining and paying all taxes required to be paid as a result of Your payment to Us of initial or ongoing fees

(2) **"Gross ~~Revenue~~"** ~~is defined in the Franchise Agreement and includes~~**Sales"** means all receipts generated by Your Business from any source including sales, exchanges, services, labor, service charges, etc Credit sales ~~shall~~will be calculated as of the date of sale without deduction for uncollected credit accounts ~~"Revenue" shall~~"Gross Sales" will not include ~~bonafide~~bona fide credits for returns of merchandise, promotional discounts, or the amounts collected and paid to appropriate governmental authorities under the provisions of any Sales Tax, Retailer's Occupation, or similar ~~Act~~law The proceeds from any business interruption insurance or eminent domain recovery You receive are included in Gross ~~Revenue~~Sales

(3) The Manual may designate a different due date You must pay all such Fees to Us and/or Our affiliates each month by direct transfer of funds ("**EFT**") or other method of payment designated by Us ~~You must make sure that Your bank account has sufficient funds for the transfer of payments to Us and/or the Company You must submit to Us each quarter a report of Gross Revenue and a Profit and Loss Statement, in the form We designate, both which must be certified by an independent CPA Additionally, on an annual basis You must provide Us with a copy of Your most recent tax returns, sales tax returns, and payroll tax returns~~

~~(4) We reserve the right to temporarily lower, suspend or rebate the Marketing Fee at any time, upon prior written notice to You and to Our other franchisees similarly situated The Marketing Fee is in addition to, and exclusive of, any sums that You may decide or be required to spend on local advertising and promotions We have sole discretion over the creative ideas, materials, endorsements, media, placement, and allocation of monies related to use of the Marketing Fee proceeds~~

~~(5)~~ We may audit Your reports, books, statements, business records, cash control devices, and tax returns at any time during normal business hours In addition to any additional fees found due as a result of an audit of Your financial records, You must pay Us Our audit cost if You have understated

(4) Gross Sales by more than 2% of the actual Gross Sales found by the audit The cost of an audit varies widely depending on how well the books and records are kept, but We estimate the cost of an audit to be between $1,000 and $5,000

~~(6) You must indemnify Us and Our affiliates for all claims relating to Your operation of the Business~~

ITEM 7

YOUR ESTIMATED INITIAL INVESTMENT

~~TYPE OF EXPENDITURE~~Type of Expenditure	~~AMOUNT~~Amount	~~METHOD OF PAYMENT~~Method of Payment	~~WHEN DUE~~When Due	~~TO WHOM PAYMENT IS MADE~~To Whom Payment is to be Made
Initial Franchise Fee	$35,000	Lump ~~sum via Check or Wire~~Sum	Upon ~~Signing~~signing of the Franchise Agreement	Us
Real Estate~~/~~ / Rent (Note 1)	$2,000 to $14,000	Lump Sum~~As Incurred~~	Before Beginning Operations	~~Lessor~~Landlord
Utility Deposits ~~(2)~~	$0 ~~to~~ - $500	As Incurred	As Agreed~~Before Beginning Operations~~	~~Utilities~~Utility Service Providers
Leasehold Improvements (~~3~~Note 2)	$30,000 to $100,000	As Incurred	~~Before Beginning Operations~~As Agreed	Contractors~~,~~ and Suppliers
~~Furniture~~Furnishings, Fixtures ~~&~~, and Equipment (~~4~~Note 3)	$35,000 to $75,000	As Incurred	~~Before Beginning Operations~~As Agreed	~~Us and/or~~Approved Suppliers
Initial Inventory (~~5~~Note 4)	$3,000 ~~to~~ - $5,000	As Incurred	~~Before Beginning Operations~~As Agreed	~~Us and/or~~Approved Suppliers
Coop Party Crates	$4,000	Lump Sum	Before Beginning Operations	Us
Insurance (~~6~~Note 5)	$6,000 to $12,000	As Incurred	~~Before Beginning Operations~~As Agreed	Insurance ~~Companies~~Carrier
Signage ~~(7)~~	$1,000 to $5,000	As Incurred	~~Before Beginning Operations~~As Agreed	~~Us and/or~~Approved Suppliers
Office Equipment ~~&~~and Supplies ~~(8)~~	$500 to $3,000	As Incurred	~~Before Beginning Operations~~As Agreed	~~Us and/or~~Approved Suppliers
Grand Opening (~~9~~Note 6)	~~$2,000 to~~ $4,000	As Incurred	~~First 3 Months of Operations~~As Agreed	Us, Outside Suppliers, ~~Locations, Etc~~ Landlord
Computer Equipment (Hardware, Software, ~~POS~~Computer System, etc) ~~(10)~~	~~$5,000~~900 to $1,400 ~~$10,000~~	As Incurred	~~Before Beginning Operations~~As Agreed	~~Us and/or~~Approved Suppliers

~~TYPE OF EXPENDITURE~~Type of Expenditure	~~AMOUNT~~Amount	~~METHOD OF PAYMENT~~Method of Payment	~~WHEN DUE~~When Due	~~TO WHOM PAYMENT IS MADE~~To Whom Payment is to be Made
Travel Expenses During Training	$2,000 - $3,000	As Incurred	As Agreed	Airlines, Hotels, Rental Car Companies, Restaurants, and Others
Licenses & Permits (Note 12)	$500 to $1,000	As Incurred	As Agreed	City / State / County / Licensing Authority
Professional Fees (Note 13)	$0 to $4,000	As Incurred	As Agreed	Accountant(s) and Attorney(s)
Additional Funds (3 months) (Note 14)	$8,000 to $15,000	As Agreed	As Incurred	Employees, Marketing Companies, Other Outside Suppliers
TOTAL ESTIMATED INITIAL INVESTMENT (NOTE 9)	$131,900 to $281,900			

~~Training (11)~~	~~$2,000 to $3,000~~	~~As Incurred~~	~~Before Beginning Operations~~	~~Us~~
~~Licenses & Permits (12)~~	~~$500 to $1,000~~	~~As Incurred~~	~~Before Beginning Operations~~	~~Licensing Authorities~~
~~Legal & Accounting (13)~~	~~$500 to $1,000~~	~~As Incurred~~	~~Before Beginning Operations~~	~~Attorney, Accountant~~
~~Additional Funds (14)~~	~~$8,000 to $15,000~~	~~As Incurred~~	~~As Necessary~~	~~Us, Suppliers, Locations, Lessor, Etc~~
~~TOTAL (15)~~	~~$130,500 to $283,500~~			

~~In general, none of the expenses listed in the above chart are refundable We do not finance any portion of Your initial investment~~

These estimated initial expenses are Our best estimate of the costs You may incur in establishing and operating Your Business We do not offer financing directly or indirectly for any part of the initial investment The availability and terms of financing from third parties depend on many factors, including the availability of financing generally, Your creditworthiness and collateral, and the lending policies of financial institutions from which You request a loan

The factors underlying Our estimates may vary depending on a number of variables, and the actual investment You make in developing and opening Your Business may be greater or less than the estimates given depending upon the location of Your franchise, and current relevant market conditions Payments You make to Us and Our affiliates are not refundable under any circumstances We do not know whether

any of the money You pay to third parties will be refundable In compiling this chart, We relied on Our and Our affiliate's experience as operators (since 2008) of "the Coop®" Business in Los Angeles, California that is similar to the franchise being offered to You

FOOTNOTES

(1) You must lease or otherwise provide a suitable facility for the operation of the franchise Typically, the facility will range in size from 3,000 to 5,000 square feet It is difficult to estimate lease acquisition costs because of the wide variation in these costs between various locations Lease costs will vary -based upon square footage, cost per square foot and required maintenance costs -The low estimate is based on an assumption that You will have to pay- a security deposit equal to one month's rent and is based on leasing a facility of 3,000 square feet The high estimate is based on leasing a facility of 5,000 square feet at a higher cost per square foot Some lessors may refund the security deposit if You cancel the lease before You occupy the premises The estimated range of costs in this category only includes Your costs to enter into a lease agreement for the facility ~~Estimated rental costs for 3 months are included with the category "Additional Funds" as noted below~~

~~(2) If You are a new customer of Your local utilities, You will generally have to pay deposits to obtain services, including electric, telephone, gas and water The amount of the deposit and whether the deposit is refundable will vary on the~~

~~local utilities. You should contact Your local utilities for more information.~~

~~(3)~~ To adapt to a newly acquired facility for operation of Your Business, it must be renovated. The cost of the leasehold improvements will vary depending on factors, ~~including size,~~ the availability and prices of labor and materials, the site's condition ~~and~~, configuration, location ~~of the facility, local wage rates and~~, and size, the demand for the site among prospective lessees, the site's previous use, county or city building application and inspection fees, county, city, or state codes, the cost ~~of materials~~ to access existing plumbing, and any construction or other allowances the landlord grants. The low estimate assumes that Your landlord will provide a partial build-out allowance. The amounts You pay for the leasehold

(2) improvements are typically non-refundable You should inquire about the refund policy of the contractor at or before the time of hiring

(4)(3) You must purchase and/or lease and install furniture, fixtures and equipment and decor necessary to operate Your Business from ~~Us, Our affiliate, or~~ an approved supplier These may include rope climbing structures, slides, bounce houses, ball pits, dance floors, and dress-up areas The cost of the furniture, fixtures and equipment will vary according to local ~~market conditions, the size of the facility, suppliers and other related factors We do not know if the amounts You pay for furniture, fixtures or equipment are refundable Factors determining whether furniture, fixtures and equipment are refundable typically include the condition of the items, level of use, length of time of possession and other variables You should inquire about the return policy of the suppliers at or before the time of purchasing or leasing We reserve the right to require that You purchase Your furniture, fixtures and equipment from Us or Our affiliate~~ market conditions, the size of the facility, suppliers and other related factors

(5)(4) You must purchase an initial inventory for Your Business These include party supplies and items for the coffee and snack bar Costs vary based on the size and location of Your Business, time of season, suppliers and other related factors ~~We do not know if the amounts You pay for other inventory items are refundable Factors determining whether other inventory items are refundable typically include the condition of the items at time of return, level of Us, and length of time of possession You should inquire about the return and refund policy of the suppliers at or before the time of purchasing~~ You will be required to purchase some or all of the initial inventory for Your Business from Us, the Company or an approved supplier

(6)(5) You must purchase Comprehensive General Liability insurance with a minimum liability coverage of $1,000,000 per occurrence, and $2,000,000 in aggregate, or higher if Your state law requires Factors that may affect Your costs of insurance include the size and location of the franchise, value of the leasehold improvements, equipment, inventory, number of employees and other factors ~~The amounts You pay for insurance are typically non-refundable You should inquire about the cancellation and refund policy of the insurance carrier or agent at or before the time of purchase~~

~~The insurance will not be limited in any way because of any insurance We maintain Maintenance of the required insurance will not diminish Your liability to Us under the indemnities contained in the franchise agreement The policy or policies will insure against Our vicarious liability for actual and (unless prohibited by applicable law) punitive damages assessed against You We may require You to increase the minimum limits of and types of coverage to keep pace with regular business practice and prudent insurance custom~~

~~Your insurance policies must insure Us, You, and Our respective subsidiaries, owners, officers, directors, partners, members, employees, servants, and~~

~~agents against any loss, liability, products liability, personal injury, death or property damage that may accrue due to Your operation of Your Business. Your policies of insurance will contain a separate endorsement naming Us as an additional named insured. You are required to submit an insurance certificate to Our office on an annual basis.~~

~~(7) This range includes the cost of all signage used in Your Business. The signage requirements and costs will vary based upon the size and location of the Location, local zoning requirements, landlord requirements and local wage rates for installation. The amounts You pay for signage are typically non-refundable. You should inquire about the return and refund policy of the suppliers at or before the time of purchase. We must approve all signage before You order it.~~

~~(8) You must purchase general office supplies including stationery, business cards and typical office equipment. Factors that may affect Your cost of office equipment and supplies include market conditions, competition amongst suppliers and other factors. We do not know if the amounts You pay for office equipment and supplies are refundable. Factors determining whether office equipment and supplies are refundable typically include the condition of the items at time of return, level of use and length of time of possession. You should inquire about the return and refund policy of the suppliers at or before the time of purchase.~~

~~(9)~~(6) You must spend a minimum amount of $4,000 on Your grand opening. This includes a minimum of $2,000 spent on advertising leading up to Your grand opening, and a minimum of $2,000 spent on the actual grand opening event. ~~We determine the minimum based the Company's experience and on Our assessment of Your adverting costs in Your area and the time of year that You are opening. You may choose to spend more. Factors that may affect the actual amount You spend include the type of media used, the size of the area You advertise to, local media cost, Your Location, time of year and customer demographics in the surrounding area. The amounts You spend for grand opening advertising are typically non-refundable. You should inquire about the return and refund policy of the suppliers at or before the time of purchasing~~You may choose to spend more

~~(10) You must purchase the computer equipment, hardware and software necessary for operating the franchise. We do not know if the amounts You pay for the computer equipment may be refundable. The amounts You pay for computer equipment are typically non-refundable, or if refundable, may be subject to a "restocking" fee. You should inquire about the return and refund policy of the suppliers at or before the time of purchasing. You must receive Our approval for the POS system and computer hardware You use.~~

~~(11) The cost of initial training for You and one other person is included in the Initial Franchise Fee. We will train You and a person You designate for~~

~~approximately 40 hours at Our corporate training center. This amount reflects Your travel and stay expenses during the training period. You must pay Us additional tuition for additional trainees beyond You and Your designee at Our then-current rate, which is currently $1,000 per person.~~

~~(12)~~(7) State and local government agencies typically charge fees for occupancy permits, operating licenses and construction permits. Your actual costs may vary from the estimates based on the requirements of state and local government agencies. These fees are typically non-refundable. You should inquire about the cancellation and refund policy of the agencies at or before the time of payment.

~~(13) You will need to employ an attorney, an accountant and other consultants to assist You in establishing Your franchise. These fees may vary from location to location depending on the prevailing rates of local attorneys, accountants and consultants. These fees are typically non-refundable. You should inquire about the refund policy of the attorney, accountant or consultant at or before the time of hiring.~~

~~(14) We recommend that You have a minimum amount of money available to cover operating expenses, including rent, utilities and employees' salaries for the first 3 months that Your Business is open. These are only estimates based on Our affiliate's experience in opening and operating a similar business. The predominant factors for calculating the 3-month estimate are amounts paid for employee wages and inventory. We cannot guarantee that Our recommendation will be sufficient. Additional working capital may be required if sales are low or operating costs are high. These expenses are typically non-refundable.~~

~~(15) In compiling this chart, We relied on the Company's history, knowledge and experience in operating a similar Business. The amounts shown are estimates only and may vary for many reasons, including the size and condition of Your Location, the capabilities of Your management team, and Your business experience and acumen. You should review these estimates carefully with an accountant or other business advisor before making any decision to buy a franchise. These figures are estimates only and We cannot guarantee that You will not have additional expenses in starting the franchise.~~

~~We cannot estimate how long it may take for Your revenues to exceed Your expenses, if ever. YOU SHOULD NOT INFER THAT YOUR REVENUES WILL EXCEED YOUR EXPENSES AT THE END OF THE THREE-MONTH INITIAL PHASE OR BY THE TIME YOUR ADDITIONAL FUNDS HAVE BEEN COMPLETELY EXPENDED. We make no projections or estimate of the amount of additional funds You may need for the operation of Your Business beyond the initial phase.~~

(8) Additional funds is an estimate of the funds needed to cover pre- and post-opening expenses including sales taxes, recruitment, on-site training expenses, payroll processing, janitorial services as well as additional operating capital for other variable costs (e g , electricity, telephone, Internet service, Internet setup, etc), paper, office supplies, cleaning, cellular telephones, and other supplies Additional funds are also an estimate of the monies You will need on hand during the initial phase of Business operations

(9) This Estimated Initial Investment Item 7 includes Our estimates of your initial startup expenses and funds for additional inventory and additional funds for the operation of your Business These expenses include payroll costs, but assume that you will not draw a salary These figures are estimates and We cannot guarantee that you will not have additional expenses starting your Business Your costs will depend on factors such as how closely you follow Our methods and procedures, your management skill, experience and business acumen, local economic conditions, the local market demand for your product, the prevailing wage rate, competition, and the sales level reached during the initial period You should conduct your own independent investigation of the costs of opening a Business in the geographic area in which you intend to open your Business Additional funds for the operation of your Business will be required after the first three months of operation if sales produced by your Business are not sufficient to produce positive cash flow You should also review the figures listed in this Item 7 carefully with a business advisor before making any decision to purchase a Business

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

To help ensure a uniform image and uniform quality of products and services throughout the System, You must maintain and comply with Our quality standards Any required standards exist to protect Our interest in the System and the Trademarks and not for the purpose of establishing any control, or the duty to take control, over those matters that clearly are reserved to You We publish Our standards, specifications, policies, and procedures in Our confidential operations manuals, Our training videos, and other documents (collectively, the "**Manual**") that We will loan to You

Approved and Designated Suppliers

We will provide You with a list of approved manufacturers, suppliers and distributors ("**Approved Suppliers List**") and approved equipment, signs, stationery, supplies and other items or services necessary to operate Your Business ("**Approved Supplies List**") From time-to-time we, Our affiliate or a third party vendor or supplier, may be the only approved supplier for certain products The Approved Supplies List also may include other specific products without reference to a particular manufacturer, or they may designate the specifications and/or standards for other approved products We may revise the Approved Suppliers List and Approved Supplies List We give You the approved lists as We deem advisable

Except for instances where We designate a single source supplier, if You wish to purchase any products or services for which We have established approved suppliers from an unapproved supplier, You may request Our consent in writing and We will be required to consider Your request The procedure for submitting a request will be outlined in the Manual We do not currently charge a fee evaluate a proposed product, service or supplier We will have up to 30 days to conduct Our evaluation before We render a decision If We request, You must submit samples and other information as We require for testing or to otherwise determine whether the product, material or supply, or the proposed supplier meets Our specifications and quality and safety standards We may re-inspect the facilities and products of any supplier of an approved supplier or item and revoke Our approval of any supplier or

item that fails to continue to meet any of Our criteria We will send written notice of any revocation of an approved supplier or item

We apply the following general criteria in approving a proposed supplier (1) quality of the products or items, (2) ability to make product in conformity with Our specifications, (3) reputation and integrity of supplier, (4) financial condition and insurance coverage of the supplier, (5) payment terms, (6) delivery schedule, and (7) pricing We do not make Our specific criteria for selecting approved suppliers available to Our franchisees, nor do We make Our specifications known to suppliers

Required Purchases or Leases

A list of the materials that You can, or will be required to, purchase from suppliers approved by us, and the names of those approved suppliers, will be listed in Our Manual We or Our affiliates are the only approved suppliers of the Coop®"-branded party crates Other than those items, neither We nor Our affiliates are approved suppliers for products or services, but We reserve the right to become approved suppliers, or the only approved suppliers, of them in the future

Computer System and Software

We require You to purchase Your Computer System or any components of it, including software and other items, from Our designated suppliers, which will include certain software Upgrades to the Computer System may be required periodically We reserve the right to be the only approved suppliers of the Computer System, but presently, We are not a supplier or the only approved supplier of the Computer System

Advertising and Promotional Materials

We have the right to require You to purchase from Our approved third-party suppliers advertising and promotional materials relating to the System Currently, we and Our affiliates are not approved suppliers of the advertising and promotional materials

Office ~~You must purchase and/or lease all equipment and supplies for Your Business from suppliers previously approved by Us, which may include Us and the Company ("**Approved Suppliers**") All Products and Services sold through Your Business must meet Our Product and Service specifications and guidelines prescribed in the Manual, as We may modify from time to time~~

~~If We introduce proprietary Products and/or items bearing the Marks, You may be required to purchase them from the Company or Us Except as described in this ITEM 8, You are not obligated to purchase anything else from Us or the Company, but You will be obligated to make 100% of Your purchases from Approved Suppliers We may negotiate purchase arrangements with unaffiliated suppliers including price terms for the benefit of franchisees and the System We will not grant any renewal franchises or additional franchises, or provide any other material benefit to You, based on Your use of Approved Suppliers We do not have any purchasing or distribution cooperatives in which You must participate, but We may develop them and require Your participation in the future You must use some supplies that are proprietary to Us, including copyrighted forms and materials bearing the Marks and We reserve the right to earn a profit on the sale of these items to Our franchisees~~

You may be required to purchase from Us, or Our Approved Suppliers, software, Internet, services and multi-area marketing programs and to participate in these programs, as designated in the Manual. We do not require You to participate in these programs at this time, but if participation is required, We estimate that these required purchases will be less than five percent of Your operating expenses.

We and/or Our affiliates, including the Company, reserve the right to earn rebates, commissions or other payments from Approved Suppliers based on these Approved Suppliers' sales to Our franchisees or services offered to Our franchisees. As of the date of this disclosure document, neither We nor the Company have received any rebates, commissions or other payments as a result of purchases made by Our franchisees.

If We receive rebates from suppliers based on franchisee purchases, We will use the funds to benefit the System. None of Our officers own an interest in an Approved Supplier other than the Company, which is owned by Our parent.

We may, in Our discretion and if they meet Our criteria and requirements, approve additional Products or suppliers for the System. If You want to purchase Products or services from another supplier that have not been approved by Us, You may request Our "Supplier Approval Form." Based on the information and samples You supply Us, We will test the products or services supplied and review the proposed supplier. We will complete Our review promptly, generally within 30 days. A lack of response after 30 days will mean that the proposed supplier was not

~~approved We are not required to provide You or any proposed supplier with the specifications and standards We use to evaluate a proposed supplier We do not currently charge a fee to evaluate a proposed product, service or supplier We also may have some services and/or Products for which there is only one Approved Supplier~~

~~We may, at any time, revoke any Product or supplier that We had previously approved We will notify You in writing, including by e-mail and/or updates to Our Manual, of any product or supplier revocation If You receive notice that any Product or supplier's approval has been revoked by Us, You must immediately stop purchasing that Product or stop purchasing from that supplier~~

~~All advertising You wish to use to promote Your Business that has either not been prepared by Us or has not been approved by Us in the immediately preceding 12 month period must be submitted to Us for Our review prior to Your use You may not use the advertising materials unless We have approved them in writing This also applies to any advertising or promotions that You may use on any social media sites, such as Facebook, Twitter, Linkedin, and Pinterest~~

Equipment and Supplies

You must purchase from Our approved third-party suppliers all of the office equipment, supplies, paper goods, and other items that You will use in Your Business Currently, neither we, nor any of Our affiliates, are approved suppliers of these items

Inventory Items

You must purchase from Our approved third-party suppliers all of inventory items, including party crates, that You will use and sell in Your Business Currently, we and Our affiliates are approved suppliers, but not the only approved suppliers, of these items except for the party crates We and Our affiliates are the only approved suppliers of party crates

Merchant Services

You must obtain a merchant services account from an approved supplier for credit card processing Neither we, nor any of Our affiliates, are approved suppliers of these items

Employee Uniforms

You must purchase Your employee uniforms according to the criteria that We will make available to You in the Manual Neither we, nor any of Our affiliates, are approved suppliers of these items

Insurance

You must purchase and maintain the liability insurance coverage required by the terms of Your lease for Your Location, other applicable laws that may apply to Your Business, and that We specify in the Manual or otherwise in writing Your insurance coverage must be maintained during the term of the Franchise Agreement and must be obtained from a responsible, duly licensed carrier or carriers

acceptable by Us All insurance must be on an "occurrence" basis -All insurance policies,- except for workers' compensation, shall name Us, Our affiliates and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, as additional named insureds Also, all insurance policies shall expressly provide that not less than 30 days' prior written notice shall be given to Us in the event of a material alteration to or cancellation of the policies We have the right to require that You obtain from Your insurance company a report of claims made and reserves set against Your insurance We reserve the right to change Our insurance requirements during the term of Your Franchise Agreement, including the types of coverage and the amounts of coverage, and You must comply with those changes If You do not obtain the insurance as required, We have the right, but not the obligation, to purchase insurance on Your behalf and You must reimburse Our costs related to this purchase

~~Collectively, the purchases described above are approximately 95% of Your overall purchases to establish and then operate Your Business~~

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Real Estate and Site Selection

You must purchase or lease real estate for Your Business according to the criteria that We will make available to You in the Manual. You must operate the Business at a location that meets Our site selection requirements and that We have approved. If You lease the location, You must construct and equip Your Business according to Our approved design, specifications and standards. We are not an approved supplier of the real estate for Your Business.

Proportion of Required Purchases and Leases to All Purchases and Leases

We estimate that the purchase or lease of goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating the Business, from Us or Our designated or approved suppliers and distributors, or those meeting Our standards and specifications, will be up too 95% of Your total cost to establish a Business (not including amortization, depreciation, or replacement of worn or obsolete improvements, equipment, furniture, or fixtures).

Purchasing Cooperatives, Purchasing Arrangements, Rebates, Payments, and Derived Revenue

We do not have purchasing and distribution co-operatives as of the issuance date of this Franchise Disclosure Document, however, We may negotiate alternative purchase arrangements with suppliers and distributors of approved products for the benefit of Our franchisees and We reserve the right to receive rebates on volume discounts from Our purchase of products that We may re-sell to You. We expect that We will negotiate prices in the future for various products for the benefit of the System, but not on behalf of or for the specific benefit of individual franchisees.

We may derive revenue or other material consideration from required purchases or leases by franchisees from approved suppliers. In 2017, we derived $12,000, or 11.4% of our total revenue of $104,924, from required purchases or leases by franchisees from Us, Company, or approved suppliers. There are no caps or limitations on the maximum amount of payments We may receive from Our suppliers as the result of franchisee purchases.

Some of Our officers own an equity interest in Us (the franchisor) and Company, and We and Company may be approved suppliers. We do not provide material benefits, such as renewing or granting additional franchises to franchisees, based on their use of designated or approved suppliers.

ITEM 9

FRANCHISEE'S OBLIGATIONS

This table lists Your principal obligations under the franchise and other agreements. It will help You find more detail information about Your obligations in these agreements and in other items of this disclosure document.

As used in the table below, the abbreviation "FA" refers to the Franchise Agreement

Obligation	Section in Agreement	Item in Disclosure Document
a. Site Selection and acquisition	FA § 6	Items 1, 7, 8, 11, and 12
b. Pre-opening purchases/leases	FA § 3, 5, 6, 7, 8	Items 5, 7, 8, 11, 16
c. Site development and other pre-opening requirements	FA §§ 6, 7, 8	Items 1, 5, 7, 8, 11, 12, 15

Obligation	Section in Agreement	Item in Disclosure Document
d Initial and ongoing training	FA § 5	Items 1, 5, 6, 11, 17
e Opening	FA § 10	Items 5, 7, 11
f Fees	FA §§ 1, 3, 5, 6, 10	Items 1, 5, 6, and 7
g Compliance with standards and policies and operating manuals	FA §§ 5, 6, 7, 8, 9, 10, 11	Items 1, 11
h Trademarks and proprietary information	FA §§ 9, 11	Items 11, 13, 14, and 16
i Restrictions on products and services offered	FA §§ 8, 10	Items 8, 12, and 16
j Warranty and customer service requirements	FA §§ 8, 9	Item 11
k Territorial development and sales quotas	FA §§ 2, 6	Items 1, 12
l Ongoing product and service purchases	FA §§ 8, 9	Items 8, 16

m Maintenance, appearance and remodeling requirements	FA §§ 6, 7, 8	Item 17
n Insurance	FA § 13	Item 7
o Advertising	FA § 10	Items 6, 7, 11
p Indemnification	FA §§ 17, 19	Item 13
q Owner's participation/ management/staffing	FA §§ 6, 8, 9	Item 15
r -Records and reports	FA §§ 3, 12	Items 6, 11
s -Inspections and audits	FA §§ 3, 12	Item 17
t Transfer	FA §§ 15, 16, 17	Items 6, 17
u Renewal	FA §§ 4, 14, 15	Items 6, 17
v Post-termination obligations	FA §17	Item 17
w Non-competition covenants	FA ~~FA~~ §§ 14, 17	Items 5, 17
x -Dispute	FA §-18	Item 17

ITEM 10

FINANCING

We do not offer any direct or indirect financing ~~There are no waiver of defenses or similar provisions in any note, contract or other instrument executed by franchisees with Us~~We do not receive any consideration for placing financing with a lender, although We reserve the right to do so in the future 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~~the COOP Franchise Group, LLC is not required to provide You with any assistance

A Pre-opening -Before You open Your Business, We will

1 Loan You a copy of Our ~~confidential Operating~~ Manual, which contains mandatory and suggested specifications, standards, operating procedures and rules, in written and/or electronic form. The purpose of the Manual is to communicate to You and Our other franchisees both Our requirements and Our suggestions for the operations of Your Business, so that customers of the System have a uniform and quality experience across Business locations. The Manual is not intended to mandate how You handle employment issues with Your employees, except to the extent that their conduct has a direct bearing on the System or the Trademarks.

~~1.~~ We may modify the Manual at any time. Its total number of pages is 150. The number of pages devoted to each topic is reflected in the Table of Contents. We will notify You if there are any changes made to the policies or procedures so that You can comply. You must update Your copy of the Brand Standards Manual, as instructed by us. We disclose the Table of Contents to the Brand Standards Manual as Exhibit B to this Franchise Disclosure Document. (Franchise Agreement, Article 9)

2 Conduct Our Initial Training Course for You and one other person in addition to Our Online Training Curriculum. We describe the Initial Training Course later in this Item. (Franchise Agreement, Article 5)

3 Approve the Location You propose for Your Business based upon Our site selection criteria as prescribed in the Manual. We describe the site selection process below. (Franchise Agreement, Article 6)

B Site Selection

We do not select the location of Your Business. We generally do not own the premises or lease it to You. Finding a suitable location that conforms to local ordinances, building codes, and Our guidelines is Your responsibility. However, We will provide You with guidance regarding Our standards for selecting a site, and You are required to obtain Our approval for any site You choose.

You select the site of Your Business within Your Territory. We will either accept or reject the site in Our sole discretion. Acceptance by Us of a location is conditioned upon Our determination, in Our judgment, that the site that You have submitted for Your Business is within Your Territory and is a suitable site based upon criteria We establish from time-to-time. You must obtain Our approval of a site no later than 6 months after You sign the Franchise Agreement.

We must determine that Your proposed location meets or exceeds Our standards, but Our acceptance does not ensure that Your Business will be profitable at the approved location. We will either accept or reject the site in Our sole discretion. We evaluate each proposed site and accept or do not accept each one on a case-by-case basis. The factors that We consider to approve Your site(s) include (but are not limited to) general location and neighborhood demographics and population density, estimates regarding future population growth, visibility, traffic patterns, access, and parking, size, physical characteristics of any existing buildings, median, mean, and per capita household income, lease terms, local competition, and proximity to businesses as well as density of business population.

We will approve or disapprove Your proposed site within 30 days after You present the information described above to us. If You and We disagree about the proposed location, You must locate another acceptable site for Your Business and repeat the process. If You and We cannot reasonably agree on a site within six (6) months of the Effective Date, We have the right to terminate the Franchise Agreement. In this case, We may (in Our sole discretion) refund up to 20% of the Initial Franchise Fee You paid us. (Franchise Agreement, Article 6)

C Time Before Opening.

We estimate that there will be an interval of time of 6 to 9 months between the execution of the Franchise Agreement and the opening of Your Business The factors that may affect this length of time include obtaining a satisfactory site, the type of site, remodeling and decorating the site, hiring an architect, time for obtaining building permits, zoning and local ordinances, weather conditions, materials shortages, hiring as needed, obtaining financing arrangements, and delayed installation of equipment, fixtures and signs You must open Your Business within 9 months after signing the Franchise Agreement If You do not open Your Business within that time period We will have the right to terminate the Franchise Agreement If We exercise that right, We may (in Our sole discretion) refund up to 20% of the Initial Franchise Fee You paid us (Franchise Agreement, Article 6)

~~B~~ D Post-opening -During the operation of Your Business, We will

~~1 Make available additional training programs as We deem appropriate (Franchise Agreement, Article 5)~~

~~2~~ 1 ~~Develop and administer, at Our discretion, advertising and promotion programs designed to promote the collective success of all Businesses System-wide (Franchise Agreement, Article 10)~~

~~3~~ 1 Provide and approve all advertising, promotional materials, and services used by You, including on any social media sites, as We deem appropriate and -may modify from time-to-time (Franchise Agreement, Article 10)

~~4~~ 2 ~~Administer~~If and when We create one, administer the Marketing Fund ("**Marketing Fund**~~")~~") We describe the Marketing Fund later in this Item (Franchise Agreement, Article 10)

~~5~~ 3 Periodically update the Manual to ensure the Franchise System remains current and competitive (Franchise Agreement, Article 9)

Post-Opening Optional Assistance During the operation of Your Business, We may

4 Make available additional training programs as We deem appropriate (Franchise Agreement, Article 5).

5 Develop and administer, at Our discretion, advertising and promotion programs designed to promote the collective success of all Businesses System-wide (Franchise Agreement, Article 10)

~~C Site Selection~~

~~You must find the Location for Your Business subject to Our express written approval Approval of the Location You propose for Your Business will be based on numerous factors including, without limitation, daily traffic numbers, geographic location, and other demographic factors We will not directly assist in helping You find the Location for Your Business We will provide Guidelines and procedures for Site Selection as part of Your Initial Training and also make this available in the Manual~~

(Franchise Agreement, Article 6)

Within 6 months of signing Your Franchise Agreement, You must have located and obtained Our approval for the Location of Your Business. If You have not located and obtained Our approval for Your Business within this time period, We may terminate Your Franchise Agreement. (Franchise Agreement, Article 6)

D. A. Time Before Opening.

6 ~~Based on Our experience, You should typically open Your Business within 9 months after Your Franchise Agreement is signed. This length of time may be affected by factors such as finding an optimal Location, financing arrangements, acquiring necessary permits and licenses, obtaining insurance, and acquiring all necessary furniture, fixtures and equipment. If You have not opened Your Business within this time period, We may terminate Your Franchise Agreement~~Periodically make changes to the products that We authorize and require You to sell at Your Business (Franchise Agreement, Article 9)

7 Create a gift card or other customer loyalty program (Franchise Agreement, Article 9) ~~(Franchise Agreement, Article 6)~~

E Advertising

Grand Opening Advertising

In ~~We will develop marketing, promotional and advertising programs designed to promote the COOP® Businesses. Your participation in all advertising and sales promotion programs must be in full and complete accordance with any terms and conditions We may have established so long as participation is also required from other franchisees similarly situated. We may in the future require contributions by You to an Advertising Fund. Currently We do not have an advertising council composed of franchisees. We expressly reserve the right, as We deem appropriate, to form, modify, and dissolve an advertising council in the future.~~

~~We will provide access to advertising and marketing materials and services to You. We may also use premium incentives and product awareness campaigns in advertising and promotions. Advertising media may include print, Internet, vehicle wraps, fundraisers, public relations campaigns and radio or television (primarily local in scope). Whenever possible, the material is produced in-house or provided by vendors.~~

~~You may develop advertising materials for Your own use at Your own cost. All advertising materials, including any written press used in any medium, must have been approved by Us in advance and in writing. Approval typically takes between five (5) and thirty (30) days depending on its nature. You may not use any advertising materials unless We have specifically approved of the materials in writing. If You have not received Our written approval for advertising materials that You have submitted for approval within thirty (30) days, Your request will be deemed to have not been approved.~~

~~All~~ connection with Your grand opening, You must spend a minimum amount of $4,000 on Your grand opening. This includes a minimum of $2,000 spent on advertising leading up to Your grand opening, and a minimum of $2,000 spent on the actual grand opening event. You may choose to spend more. We will provide You with guidance for conducting grand opening advertising, and We will review and approve the materials You use in Your grand opening advertising. We have the right to require You to pay this entire amount to us, and in that case We will conduct this grand opening advertising on Your behalf. (Franchise Agreement, Article 10)

Local Advertising

We require You to spend one percent (1%) of Your Gross Sales on Your local advertising and marketing efforts All of Your advertising, promotion, and marketing must be completely clear~~—and~~, factual, and not misleading, and must conform to both the highest standards of ethical ~~-~~advertising and marketing and the ~~promotion~~advertising and marketing policies~~, including the standards and specifications prescribed in the Manual This also applies to Your use of any social media sites on the Internet You must submit to Us~~ that We periodically require Before You use them, You must send Us or Our designated agency, for review, samples of all advertising, promotional, and marketing materials ~~(including without limitation Internet or electronic media~~ that We have not prepared or previously approved If You do not receive written disapproval from Us within thirty (30) days after We receive the materials from You, they are deemed to be disapproved You may not use any advertising, promotional, or marketing materials~~) for Our prior written approval You must only use advertising copy and other materials which are in strict compliance with Our requirements, as set forth in the Manual or otherwise~~ that We have not approved or that We have disapproved (Franchise Agreement, Article 10)

Cooperatives

In Our discretion, We may designate geographic areas for the establishment of Cooperatives We have the right to require You to pay up to one percent (1%) of Your Gross Sales to a Cooperative This amount could be higher if You and the other members of the Cooperative vote to increase the contribution level beyond the amount We require If Your Business is within one of these geographic areas, You must become a member of the Cooperative You need not join more than one Cooperative for the same Business All Businesses (including Businesses owned by Us or Our affiliates) must become members in any Cooperatives that We establish for geographic regions in which they own locations

Each~~There are no restrictions on Your advertising, except that You may not advertise independently on the Internet or solicit business outside Your Territory, and~~

~~Your advertising must be approved by Us as stated above. You must participate in Our online marketing campaigns, Gift Card program, Loyal Customer program and similar marketing programs as they are developed.~~

~~Marketing Fund~~

~~You must contribute to the **Marketing Fund**, as specified in the Manual. We will administer the Marketing Fund and will use these funds to develop, produce and administer marketing programs designed to increase sales for all Businesses System-wide. Advertising may be in the form of print ads, radio, television or electronic media and may be conducted on a local, regional and/or national basis. We may use a national or regional advertising agency or in-house advertising to create and place advertisements. All interest earned on monies contributed to the Marketing Fund will be used for the same purpose. We may use some portion of the Marketing Fund contributions to advertise or sell franchises.~~

Cooperative will be organized and governed in a form and manner that We approve, and We reserve the right to change the way that the Cooperatives are organized and governed in Our sole discretion. We reserve the right to administer the fund, or to have an advertising agency do so. We have the right to examine the books, records, and accounts of the Cooperative and to audit the Cooperative.

Each Cooperative must be organized and governed in a form and manner approved by us, in advance, in writing. Each Cooperative must prepare annual financial statements and submit them to us. The statements will be made available to You for Your review.

We require that each Cooperative governs from written organizing documents. As of the date of this Disclosure Document, no Cooperative has been formed and no governing documents are available for You to review. No changes to the organizing documents are permitted without Our advance written approval.

We, in Our sole and absolute discretion, have the right to require any Cooperative to be formed, or have the governing documents changed. We also have the right to require that any Cooperative dissolve or merge into another Cooperative. (Franchise Agreement, Article 10)

Marketing Fund

We reserve the right to create a fund for marketing the System, the Trademarks, and Businesses (the "**Marketing Fund**"). At Our option, We can require You to pay Us on a weekly basis (or other period We designate) a continuing Marketing Fund Fee. Your Marketing Fund Fee will be up to one percent (1%) of Your monthly Gross Sales. The fees You pay to the Marketing Fund are not refundable.

Your contribution to the Marketing Fund will be in addition to all other advertising requirements set out in this Item 11. Each franchisee will be required to contribute to the Marketing Fund, but certain franchisees may contribute on a different basis depending on when they signed their Franchise Agreement. Businesses owned by Us will contribute to the Marketing Fund on the same basis as franchisees.

The Marketing Fund will be administered by us, Our affiliate, or designees, at Our discretion. We may use a professional advertising agency or media buyer to assist us. The Marketing Fund may be commingled with Our operating account and may not be in a separate bank account, commercial account or savings account.

We have complete discretion on how the Marketing Fund will be utilized, except that We must

use the money in the Marketing Fund for marketing and advertising the Trademarks and System. We may use any media for disseminating Marketing Fund advertisements, including direct mail, print ads, the Internet, radio, billboards, and television. We may reimburse ourselves, Our authorized representatives or Our affiliates from the Marketing Fund for administrative costs, independent audits, reasonable accounting, bookkeeping, reporting and legal expenses, taxes and all other direct or indirect expenses associated with the programs funded by the Marketing Fund. We do not guarantee that advertising expenditures from the Marketing Fund will benefit You or any other franchisee directly or on a pro rata basis. We will not use the Marketing Fund contributions for advertising that is principally a solicitation for the sale of franchises, but We reserve the right to include a notation in any advertisement or website indicating "Franchises Available" or similar phrasing.

We assume no fiduciary duty to You or other direct or indirect liability or obligation to collect amounts due to the Marketing Fund or to maintain, direct or administer the Marketing Fund. Any unused funds that were collected in any calendar year will (in Our sole discretion) either be refunded or applied to the following year's funds, and We reserve the right to contribute or loan additional funds to the Marketing Fund on any terms We deem reasonable.

The Marketing Fund is not audited. Upon Your written request (which must be at least 90 days after the end of the previous fiscal year) We will provide to You an annual accounting for the Marketing Fund that shows how the Marketing Fund proceeds were spent during the previous year. We did not collect or spend any Marketing Fund Contributions during Our last fiscal year. (Franchise Agreement, Article 10)

Advertising Council

We do not have an advertising council comprised of franchisees, but We reserve the right to create one.

~~In administering the Marketing Fund, We are not required to make expenditures for You that are equivalent or proportionate to Your contribution or make sure that any particular franchisee benefits directly or pro rata from the placement of advertising.~~

~~We will contribute to the Marketing Fund based on Our operation of corporate or affiliate-owned Businesses.~~

~~We will deposit and keep monies in the Marketing Fund separate from Our other funds. Money from the Marketing Fund may be used to pay Us, the Company or an affiliate for the reasonable salaries, administrative costs, travel expenses and overhead incurred by Us in the administration of the Marketing Fund and its programs as We designate. We will prepare an annual unaudited statement of monies collected and costs of the Marketing Fund and provide it to You upon Your written request. Any sums paid to the Marketing Fund that are not spent in the year they are collected will be carried over to the following year. As of the date of this disclosure document, Our Marketing Fund had a zero balance as We had no franchisees contributing to it in Our last fiscal year.~~

~~Because it is Our goal to create and maintain a strong, efficient and well respected Franchise System, We may create and administer a Franchise Advisory~~

~~Council ("FAC") to obtain input and advice from Our franchisees in the System, to promote communication between franchisees and Us, and to improve franchisees' understanding of Our System. Our FAC may also be provided, as We deem appropriate, with the authority to review complaints and failures to comply with Our System Standards and recommend remedial action or even removal from the System of subject franchisees. The FAC may, in Our discretion, have decision- making authority. Unless We expressly authorize the ability to make decisions, the FAC will act in an advisory capacity only.~~

~~We reserve the right to have one or more representative of Ours serve on the FAC. The franchisee representatives on the FAC may be chosen by Us or may be elected by other franchisees in the system. If You participate on the FAC, You may be required to pay any expenses You incur related to Your participation, such as travel and living expenses to attend council meetings. The structure, formation, rights and obligations of the FAC will be determined at Our sole discretion as further described in the Manual. We will have the right to form, change, merge, or dissolve the FAC, or any similar advisory council at any time.~~

~~As of the date of this disclosure document, We currently do not have an FAC.~~

F Computers, Computer Programs

Your Business must have a computer system as specified in the Manual, which will operate Our currently approved software. ~~Your Business must also have~~, as well as inventory and accounting programs, Internet access, a telephone number, and voicemail system. (collectively, the **"Computer System")** We may require You to upgrade or update Your equipment, such as the computers, other hardware, programs and telephone system, with reasonable limitation on the frequency or cost of this requirement. You must install and maintain a high-speed Internet connection and other reasonably necessary utilities for Your Business.

We will have independent read-only access to the information that will be generated or stored in any electronic remote monitoring and/or computer system, such as inventory, accounting, financial and marketing information associated with Your Business. There are no contractual limitations on Our right to access or otherwise use this information. You must take all reasonable measures, including granting any necessary permission rights to third parties, to ensure Our complete and uninterrupted access to this information. We may suspend or otherwise disable the remote monitoring software associated with Your Business without notice if You are in default of this Agreement, including but not limited to, any delinquent amounts owed by You to Us, the Company, or an affiliate.

If We establish an online management and communication system for Your Business, You must participate fully with its requirements as stated in the Manual. If established, We estimate that the cost of this online management and communication system will be approximately $500 per year, although this will vary depending on the size of Your Business.

All of the designated equipment and software is available generally at competitive prices. The purchase cost is estimated at $~~500~~900 to $~~2,000~~1,400, though many franchisees will already own sufficient equipment prior to starting their Business, therefore not requiring them to purchase any equipment upfront. We do not require You to have a maintenance contract for Your computer system, but You may find it beneficial to do so. If You obtain a maintenance contract, Your annual maintenance costs are estimated to be near $500. Neither We, the Company nor any affiliate —of

Ours will provide You with any maintenance, updates or upgrades for Your computer systems

G Training

As of the date of this disclosure document, Our Initial Training Program consisted of the following content with a duration of approximately forty (40) collective hours according to the following general outline

TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
Accounting & Insurance	2	0	~~Our~~ ~~Headquarters~~Los Angeles, California
Preparing to Open	4	1	~~Our~~ ~~Headquarters~~Los Angeles, California
Personnel ~~&~~and Training	3	1	~~Our~~ ~~Headquarters~~Los Angeles, California
Items~~/~~ and Services Offered for Sale	6	10	~~Our~~ ~~Headquarters~~Los Angeles, California and Your ~~Location~~Business
Paperwork ~~&~~and Controls	4	0	~~Our~~ ~~Headquarters~~Los Angeles, California
Evaluation ~~&~~and Compliance	4	0	~~Our~~ ~~Headquarters~~Los Angeles, California
Cleaning ~~&~~and Maintenance	1	1	~~Our~~ ~~Headquarters~~Los Angeles, California
Promoting ~~&~~and Marketing	2	1	~~Our~~ ~~Headquarters~~Los Angeles, California
~~Total~~TOTALS	26	14	

NOTES

(1) The above description reflects the typical content and schedule of Our mandatory Initial Training Program, but We may modify it from time-to-time

(2) You must attend and successfully complete the Initial Training Program -before opening Your Business The Initial Training Program must be successfully completed to Our satisfaction You will be responsible for paying all of Your personnel's travel, lodging, meals and other incidental costs The

Initial Franchise Fee includes tuition to the Initial Training Program for You and one additional person who will be assisting with the operation of Your Business ~~All managerial employees of Your Business must first attend the Initial Training Program unless otherwise exempted by Us in writing. Additional attendees whom We permit to attend must~~If You wish to bring more than 2 people to the program, you must pay an additional fee of $1,000 per person

~~pay an additional tuition of $1,000 each and cover their travel, lodging, meals and other incidental costs.~~

(3) All managerial employees of Your Business must first attend and pass the Initial Training Program to our reasonable satisfaction unless otherwise exempted by Us in writing.

~~(3)~~(4) Our instructors have 14 collective years of experience in the family and children amusement industry. Specifically, these individuals have the following relevant experience:

Juliet Ward Boydstun
- Time with Franchisor since inception (March 2015)
- Time with Company since inception (October 2008)
- Industry Experience ~~7~~9 years

Lucinda Gould Lent
- Time with Franchisor since inception (March 2015)
- Time with Company since inception (October 2008)
- Industry Experience ~~7~~9 years

~~(4)~~(5) The materials used in the Initial Training Program include Our Manual, other training and business optimization materials, instructional videos and how-to guides. We may modify and/or add to Our training programs at any time for the purposes of improving the System and You must comply with such modifications. All of Our training resources and content, including the Initial Training Program, are proprietary and protected as trade secrets. You must maintain the confidentiality of this information and take reasonable steps to ensure that others involved with Your Business protect the same.

~~(5)~~(6) The actual hours required for the Initial Training Program will depend on a variety of factors, including the trainee's prior experience in certain applicable areas and his or her ability to pass any written and/or practical exams to Our reasonable satisfaction.

~~(6)~~(7) We may require that You and Your personnel attend additional training courses or programs covering operations and new product or procedure introductions. We may require You to pay a reasonable fee for the additional training. You may be required to pay for all travel, lodging and food costs for You and Your personnel to attend. We expect that additional training will be conducted at Our headquarters and other locations that We designate, that it will be one or two days in duration and cover changes in Your Business, the Products and Services, and System procedures.

ITEM 12

TERRITORY

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

You will receive the non-exclusive right to operate Your Business at a specific physical Location within a geographic area designated as Your Business area ("**Your Territory**"). The geographic location, area and size of Your Territory will be based on numerous factors including, but not limited to, the population and demographics of the area, and other considerations as We deem appropriate. Your Territory will be

defined by Us and agreed to in Your Franchise Agreement Typically Your Territory will be the lesser of (i) an area with a population of 40,000 people, or (ii) a 10-mile radius We reserve the sole and absolute right, without any obligation, to expand Your Territory in the future With the exception of You defaulting under Your Franchise Agreement, Your Territory may only be reduced upon mutual written agreement by You and Us In determining the total population within Your Territory, We generally consult the United States Census estimate, available via the Internet website located at quickfacts census gov

You will select the location of Your Business, subject to our consent You may apply to relocate Your Business to a location within Your Territory, which we will consent to or reject subject to Our then-current Relocation Policy after you pay us a relocation fee equal to five thousand dollars ($5,000)

You will market Your Business and solicit customers only within Your Territory unless You have received Our prior written consent to the contrary We reserve the absolute and unrestricted right to authorize other Businesses or franchisees to market and solicit customers at any other location other than the specific physical Location We have approved for You Also excluded from any territorial protection You receive within Your Territory are (i) existing clients of Ours or the Company, (ii) customers or prospective customers that contact Us or the Company directly, (iii) corporate accounts belonging to Us or the Company, and (iv) any national organization Notwithstanding the foregoing, We will not sell any Franchises to any third party within Your Territory (as defined in Your Franchise Agreement) so long as ~~you~~You remain in full compliance with the terms of Your Franchise Agreement and any other agreement that You and We may be parties to

~~You will not receive an exclusive Territory You may face competition from other franchisees, from outlets that We own, that the Company owns, or from other channels of distribution of competitive brands that We control We are not required~~ We are not required to pay You for selling products or services from inside Your Territory We expressly and exclusively reserve all rights that We do not grant to You in Your Franchise Agreement

The Franchise Agreement will not grant You any options, rights of first refusal or similar rights to acquire additional franchises within Your Territory or contiguous areas

We have the sole and exclusive right to produce, license, distribute and market products using the ~~Marks~~Trademarks or other marks (such as pre-packaged products and beverages, books, clothing, souvenirs and novelty items) through any outlet anywhere and through any distribution channels We are not required to pay You any compensation if We exercise any of these rights If We decide it is appropriate, You may be provided non-exclusive retail rights to obtain Our proprietary Products at a distributor price and sell those proprietary Products within Your Territory as prescribed in the Manual

We reserve the right to acquire the assets or ownership interest of one or more businesses providing products and services similar to those provided by Your Business in association with trademarks other than the ~~Marks~~Trademarks, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these business (or the franchisees or licensees of these businesses) are located or operating We reserve the right to be acquired (in whole or in part and regardless of the form of transaction), by a business —providing

products and services similar to those provided by Your Business in association with trademarks other than the ~~Marks~~Trademarks, or by another business, even if such business operates, franchises and/or licenses a business involved in the offer or sale of products or services which are the same as or similar to and which may compete with Your Business

~~Your territorial rights are not dependent upon achievement of a certain sales volume, market penetration or any other contingency. You maintain rights to Your Territory even though the population increases.~~

Your Territory will not be altered during the initial term of the Franchise Agreement if there is a population increase or decrease. We have the right to terminate Our grant, or reduce the size, of Your Territory if You default under the Franchise Agreement for, among other things, failing to maintain Our standards or failing to pay the royalty and other fees when they become due. There are no other circumstances under which We will modify Your territorial rights.

On renewal, acquiring a successor franchise, or transferring Your franchise, Your Territory may be modified. Depending on the then-current demographics of Your Territory, and on Our then-current standards for territories, if Your Territory is larger than Our then-current standard territory, We may require You or the transferee to accept a successor franchise territory or a transfer territory smaller than Your Territory.

ITEM 13 TRADEMARKS

You will receive the right to operate a Business under the name the COOP® You may also use other current or future ~~Marks~~Trademarks as We designate to operate Your Business. By ~~Marks~~Trademarks, We mean trade names, trademarks, service marks and logos used to identify and operate Your Business. We have registered the following Mark with the United States Patent and Trademark Office ("**USPTO**") on its Principal Register:

Mark	Application Date	Serial Number	Registration Date	Registration Number
THE COOP (Word Mark)	2/22/2012	85/549,598	3/19/2013	4,304,021
(Design Mark)	N/A (Common Law Mark)	N/A (Common Law Mark)		

All required affidavits have been filed, and We intend to file any other affidavits to maintain Our interests in and to the ~~Marks~~Trademarks. You must follow Our rules when You use any of the ~~Marks~~Trademarks.

All Trademarks are owned by our affiliate, Company, which has granted to us, under license (the "Intellectual Property License"), the right to use and franchise the Trademarks and associated trade names, trademarks, service marks, logotypes and other commercial symbols and copyrights and proprietary materials in the United States by and to operators of Businesses. The Intellectual Property

License does not contain any significant limitations on our right to use or license the Trademarks to you, and will continue until May 1, 2035, with a right to renew for unlimited successive additional ten (10) year terms If the Intellectual Property License were to be terminated, we will have the right to change the name under which we and our franchisees operate and continue to operate and license the existing Businesses under a different name If we do not change the name, Company will permit you to continue using the Trademarks Except as described above, no currently effective agreements significantly limit our rights to use or license the use of the Trademarks

You may not use any of the ~~Marks~~Trademarks alone or with modifying words, designs or symbols as part of a corporate name or in any form on the Internet, including, but not limited to URLs, domain names, email addresses, locators, links, metatags or search techniques except as We license to You You may not use any of the ~~Marks~~Trademarks in connection with the sale of an unauthorized product or service or in a manner not authorized by Us in writing Guidelines regarding proper trademark use and notices are set forth in the Manual and will be periodically updated

There are no effective determinations of the USPTO, any trademark trial and appeal board, any state trademark administrator or any court, any pending litigation, interference, opposition, or cancellation proceeding involving any of the ~~Marks~~ Trademarks There are no agreements that limit Our right to use or franchise the use of the ~~Marks~~Trademarks We do not know of any infringing uses that could materially affect Your use of the ~~Marks~~Trademarks You do not acquire any ownership of these ~~Marks~~Trademarks or any right to the goodwill attributed to them

The ~~trademarks~~Trademarks are Our exclusive property ~~You will immediately notify Us~~ In the event of any claim of infringement ~~of, or challenge to, Your use of the trademarks or any marks identical to or confusingly similar to the trademarks, including any claims of infringement or~~, unfair competition ~~While We will make reasonable efforts to protect Your rights to use the trademarks,~~ or other challenge to Your right to use the Trademarks, or in the event You become aware of any use of or claims to the Trademarks by persons other than Us or our franchisees, You must promptly notify Us in writing We will have ~~sole discretion~~the absolute right to determine whether to take ~~or not to take~~ any action, ~~as We deem appropriate If We undertake the defense or prosecution of any~~ in connection with any such infringement, challenge or claim, and the sole right to control exclusively any litigation or ~~administrative action involving You or any litigation or administrative action involving the trademarks, You agree to execute any and all~~ other proceeding arising out of any infringement, challenge or claim relating to the Trademarks You must sign all instruments and documents, render any assistance, and ~~to~~ do ~~all~~any acts ~~and things~~ that ~~in the opinion of~~ Our ~~counsel are~~ attorneys deem necessary or advisable in order to protect and maintain Our interest in any litigation or proceeding related to the Trademarks or otherwise to ~~carry out the defense or prosecution This may be done either in Our name or in Your name, as We will elect~~ protect and maintain Our interest in the Trademarks

We will not be required to participate in Your defense or indemnify You for expenses or damages if You are a party to an administrative or judicial proceeding involving the trademarks or if the proceedings is resolved unfavorably to You ~~Instead, at any time,~~

You will modify or discontinue use of any franchise names or trademarks, or will use one or more substitute names or ~~marks, if We so direct in writing at any time Our sole obligation in this event will be to reimburse You Your tangible costs in complying with Our direction (i e , cost of changing signs, stationery, etc) Under no circumstances will We be liable to You for any other damages, costs, losses, rights or detriments related to any modification, discontinuance or substitution All obligations or requirements imposed upon You relating to the trademarks will apply with equal force to any modified or substituted names or marks You must follow Our rules when You use the trademarks You may not use the trademarks in any manner We have not authorized in writing~~

~~We may change or modify any part of Our Marks at our sole discretion~~ Trademarks, if We so direct in writing at any time We may change or modify any part of Our Trademarks at Our sole discretion You will accept, use and protect, for purposes of Your Business, all changes and modifications as if they were part of the ~~Marks~~Trademarks at the time the Franchise Agreement is executed You will bear all costs and expenses that may be reasonably necessary because of these changes or modifications Under no circumstances will We be liable to ~~you~~You for any damages, costs, losses, or detriments related to any of these changes or modifications

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

~~You do not receive the right to use an item covered by a patent or copyright,~~

but You can use the proprietary information in the Manual, training materials, including DVDs and CDs, emails and confidential information. We do not own any rights in or licenses to any patent, pending patent, copyright or pending copyright that is material to the franchise. Although We have not made a copyright filing for the Manual, We claim a copyright and the information is proprietary. You are granted the right and are required to use the copyrighted items only with Your operation of Your Franchise during the term of Your franchise agreement.

~~In association with Your Business, We will provide You with information that is confidential and proprietary to Us, which may include Our trade secrets. Included in this, without limitation, is Our vending technology, knowledge of the System, equipment suppliers, site selection and approval criteria, service agreements, techniques, sales strategies, best practices, and all contents of the Manual. You agree to at all times maintain strict confidentiality of all confidential information and to not share or otherwise discuss any of this information on any forum, regardless of its medium, other than those expressly designated by Us. This confidentiality requirement will survive the termination or natural end of the Franchise Agreement and Your Business. You must not use any of Our confidential and/or proprietary information for any other business or other manner not expressly approved by Us in advance and in writing. You will be responsible and liable for any unapproved use or misappropriation of Our trade secrets, confidential and/or proprietary information by any employee, independent contractor or other representative of Your Business.~~

Patents and Copyrights

No patents are material to the franchise

We claim copyright protection of the Manual and related materials and other brand identity/marketing/advertisement/promotional materials, although such materials may not have been registered with the United States Copyright Office. These materials are considered proprietary and confidential and are considered Our property and may be used by You only as provided in the Franchise Agreement. We reserve the right to register any of Our copyrighted materials at any time We deem appropriate.

There currently are no effective determinations of the Copyright Office (Library of Congress), or any court regarding any of the copyrighted materials. There are no agreements in effect that significantly limit Our right to use or license the copyrighted materials. There are no infringing uses actually known to us, which could materially affect Your use of the copyrighted materials in any state. We are not required by any agreement to protect or defend any patent, trademark, or copyright.

Improvements

If You or Your employees make or acquire any improvements, including any enhancements, adaptations, derivative works, modifications or new processes ("**Improvements**") in the operation of Your Business, You will grant-back exclusive rights in these Improvements to Us in consideration of the grant of the franchise and without the payment of additional consideration. Improvements will be deemed to be Our sole and exclusive property, part of the System, and works made-for-hire for us. To the extent that any item does not qualify as a "work-made-for-hire" for us, You assign ownership of that item, and all related rights to that item, to Us and must take whatever action (including signing assignment or other documents) We request to show Our ownership or to help Us obtain intellectual property rights to the item.

We may include any Improvements We made or acquired in the System, including any and all intellectual property rights of ours and affiliate or services and products of the Business, Manual and the System for use by all franchisees, Us or any affiliate. If We seek patent protection or copyright registration for any Improvements, We will do so at Our own expense. You will sign or have the creator sign all documents necessary to enable Us to apply for intellectual property rights protection and to secure all rights to these Improvements. You will have each of Your employees sign an agreement requiring employee cooperation with these requirements. You must obtain Our express written consent before

making any modification or derivative work

Confidential Information

We possess certain confidential information including the methods, techniques, formats, specifications, procedures, information, systems and knowledge of and experience in the operation and franchising of the System (the "**Confidential Information**") We will disclose certain of the Confidential Information to You during the training programs, seminars and conventions, in the Manual and in guidance furnished to You during the term of the Franchise Agreement

The Franchise Agreement provides that You will not acquire any interest in the Confidential Information other than the right to utilize it in the development and operation of a Business during the term of the Franchise Agreement, and that the use or duplication of the Confidential Information in any other business would constitute unfair competition You also agree that the Confidential Information is proprietary to Us and is disclosed to You solely on the condition that You (1) will not use the Confidential Information in any other business or capacity, (2) will maintain the absolute confidentiality of the Confidential Information during and after the term of the Franchise Agreement, (3) will not make unauthorized copies of any portion of the Confidential Information disclosed in written form, and (4) will adopt and implement all reasonable procedures required by Us to prevent unauthorized use or disclosure of the Confidential Information, including without limitation, restrictions on disclosure of Confidential Information to employees of Your Business

The Manual will at all times remain Our property exclusively We may revise the Manual, and You must comply with each new or changed standard, although these new and changed standards will not materially affect Your rights and responsibilities under the Franchise Agreement

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You or a designated employee, independent contractor or representative of Yours who has successfully completed Our Initial Training Program and Online Training Curriculum and been certified by Us ("Designated Manager"), must directly supervise and participate in the actual day-to-day operation of Your Business

If You are an entity, We do not require that Your Designated Manager own an equity interest in You There are no restrictions on whom You may hire as Your Designated Manager, but the Designated Manager must successfully complete Our Initial Training Program and be certified by Us Neither You nor the Designated Manager may have an ownership interest in or business relationship with any of Our business competitors, unless otherwise approved by Us in advance and in writing, except for ownership of 5% or less of any publicly traded company -You must- require Your owners, officers, directors, executives, members, managers, shareholders, partners, employees and other representatives to sign a non- competition agreement provided by Us

If You are a legal entity such as a corporation, partnership or limited liability company, one of Your owners must be approved by Us to be Your Designated Manager -All of Your owner(s) must personally guarantee the Franchise Agreement

~~Our Step-In Rights As outlined in the Franchise Agreement, to prevent any interruption of the franchised business that may cause harm to the franchise and to our franchise system and lessen their value, We may step in to operate Your Business when We deem necessary Reasons may include Our determination that You are incapable~~

~~of operating the franchise, are absent or incapacitated because of illness or death, have failed to pay when due any taxes or assessments against the franchise or property used in connection with the franchise, have failed to pay when due any liens~~

~~or encumbrances of every kind placed upon or against your business property, or We decide that operational problems require Us to operate the franchise for a time.~~

~~All Revenue derived from Our operation of the franchise will be for Your account. We may pay from that Revenue all expenses, debts and liabilities We incur during Our operation of Your Business. We will keep in a separate account all Revenue generated by the operation of Your Business, less the expenses of the business, including reasonable compensation and expenses for Us and Our representatives.~~

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You ~~may~~are required to offer ~~and sell~~for sale only ~~those~~ services and products that ~~We~~ have been approved. ~~You must offer all products and services that We designate as required for all franchisees. These required products and services are described~~ and specified by Us in the Manual. ~~You must obtain Our prior written approval for any other products and services to be offered by Your Business. If We implement customer satisfaction programs for all franchisees, You must participate fully with these requirements as stated~~ and any updates that are incorporated in the Manual. from time-to-time. You may not ~~purchase, lease or otherwise acquire~~offer for sale any ~~products, equipment, or~~ services ~~offered~~or products not specifically approved by Us ~~or the Company from any other supplier unless We have expressly agreed otherwise~~ in writing.

~~We~~ and You may ~~change~~not use Your Business premises for any other purpose than the operation of a Business and the ~~types of authorized Products and Services that~~sale of services or products approved by us. You must offer ~~from Your Business, and You must comply with those changes~~ any products and/or services that We designate as required products and/or required services in the Manual. There are no limits on Our ~~right~~ability to make ~~such changes. These changes will be described in the Manual when they are made.~~

~~Except as described above and in ITEM 8, You are not restricted by~~ changes to the ~~Franchise Agreement or any other requirement imposed by Us relating to the Products~~services or ~~Services. You may offer or sell and/or the customers to whom You may sell, except that You may not directly solicit customers outside of Your Territory without Our prior written consent~~products We require You to sell.

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You may not sell products or services to customers location within another franchisee's territory You may not sell products or services from or at any location other than the location of Your Business You may not sell products through other channels of distribution such as wholesale, Internet or mail order sales You may not establish an account or participate in any social networking sites or mention or discuss the franchise, Us or any of Our affiliates, without Our prior written consent and subject to Our on-line policy

If permitted by applicable law, We may require that You participate in a gift card or other customer loyalty program in accordance with Our policies and procedures In order to participate, You may be required to purchase additional equipment and pay any fees relating to the use of that equipment If We establish a gift card or loyalty program, We have the right to determine how the amount of the gift cards or loyalty cards will be divided or otherwise accounted for, and We reserve the right to retain the amount of any unredeemed gift cards

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists important provisions of the Franchise Agreement You should read these provisions in the Franchise Agreement attached to this disclosure document

Provision	Section in Franchise Agreement	Summary
a Length of the franchise term-	FA § 4	Initial term of Your Franchise is 5 years
b Renewal or extension of the term-	FA § 4	You may renew the franchise for up to 5 additional 5-year terms if certain conditions are met
c Requirements for franchisee to renew or extend-	FA § 4	Provide Us no fewer than 6-, nor more than 12 ~~months~~months' notice, no defaults during last 12 months, material and timely compliance with Franchise Agreement during initial term, satisfied all monetary obligations owed to Us, the Company, and Your suppliers, completed all required training, made all requested changes in operating personnel, modernized the Business and other equipment, payment of renewal fee, and sign Our then-current franchise agreement and general release - If You seek to acquire a successor franchise at the expiration of the initial term or any renewal term, You may be ~~required~~asked to sign ~~an~~a new franchise agreement~~(s) with~~ that contains terms and conditions materially different ~~terms and conditions~~ from ~~the original~~those in Your previous franchise agreement~~(s)~~, such as different fee requirements and territorial rights
d Termination by ~~You without cause~~ franchisee	~~None~~No provision	Not applicable
e Termination by ~~Us~~franchisor without cause-	~~None~~Not applicable	Not applicable
f Termination by ~~Us~~franchisor with cause-	FA § 17	We can terminate ~~only~~the Agreement, automatically or by notice to You, with or without a cure period, if You ~~default~~breach a material provision of the Franchise Agreement
g "~~"~~Cause~~"~~" defined ~~as~~-	FA § 17	You have 30 days after notice to cure breaches relating to Your

Provision	Section in Franchise Agreement	Summary
curable defaults ~~which can be cured~~		(You have 30 days after notice to cure defaults (except defaults in payment to Us, in which case You only have 10 days to cure after notice) Includes defaults in other franchise agreements with Us ~~No~~ You will not have any cure period for any default ~~repeated twice~~that You commit two or more times within any twelve-month period
h "Cause ' defined – non-curable defaults	FA § 17	Non-curable defaults Bankruptcy or similar action, loss of possession, material misrepresentation in obtaining franchise, violation of health and safety laws, conviction of a felony, failure to obtain consent to transfer rights, or repetition of a default within any 12-month time period
i Franchisee's obligations on termination/non-renewal	FA § 17	Upon termination You must cease operating as a "the Coop®" Business, not compete with us, not divert employees or customers, not use Our confidential information, pay all sums due us, cease to use the Trademarks, turn over all manuals, records, files and any materials relating to the operation of Your Business, cancel or transfer all telephone numbers and directory listings to us, comply with all covenants
j Assignment of contract by franchisor	FA § 19	We may transfer all or any part of the System, the Franchise Agreement, or the Trademarks without Your consent
k "Transfer" by franchisee – defined	FA § 15	Includes transfer of rights under Franchise Agreement and ownership change
l Franchisor approval of transfer by franchisee	FA § 15	You cannot transfer the Franchise Agreement without Our consent We have the right to approve all third party transfers but will not unreasonably withhold approval
m Conditions for franchisor approval of transfer	FA §15	We have the right to condition Our approval of any transfer proposed by You if you are not in default and have not committed defaults, the assets of your Business are in standard condition, you pay all amounts owed to Us and Our affiliates, you pay our transfer fee, your transferee qualifies and passes training, your transferee signs our then-current Franchise Agreement, you sign a general release of claims and a non-competition agreement
n Franchisor's right of first refusal to acquire franchisee's business	FA § 15	You must give Us written notice of intent to sell or otherwise transfer the Franchise Agreement before You intend to transfer We can match any bona fide written offer for Your Business
o Franchisor's option to purchase franchisee's business	FA § 15, 17	We may purchase Your Business assets at fair market value if the agreement is terminated
p Death or disability of franchisee	FA § 16	The estate of the deceased or incapacitated franchisee must, within fifteen (15) days from the date of death or disability, appoint a new manager if the deceased or incapacitated person was the manager If that does not happen, We have the ability to exercise Our step-in rights and operate Your Business until a new manager is appointed You or Your estate will have six (6) months from death, disability, or incapacity to transfer Your franchise to a new person approved by us
q Non-competition covenants during the term of the franchise	FA § 14	No interest in a Business or similar business offering the same or similar products and services as those offered in a the COOP® Business (**"Similar Business"**) without Our advanced written approval
r Non-competition covenants after the franchise is terminated or expires	FA § 14	No interest in any Similar Business for 1 year within 30 miles of Your Territory, of Businesses owned by Us or the Company, or any of Our other franchisees' Business
s Modification of the agreement	FA § 19	Only written and signed modifications but Manual subject to change

Provision	Section in Franchise Agreement	Summary
t Integration/merger clause	FA § 19	Only the terms of the Franchise Agreement are binding (subject to state law) Nothing in the Agreement or in any related agreement is intended to disclaim the representations We made in the Franchise Disclosure Document Any representations or promises outside the Franchise Disclosure Document and Franchise Agreement may not be enforceable
u Dispute resolution by arbitration or mediation	FA § 18	Subject to federal and Your state's law, all disputes, except as explicitly listed in the Franchise Agreement, must be submitted to arbitration in county where Our headquarters are located ("**Home County**"), currently Los Angeles County, California
v Choice of forum	FA § 18	Subject to state law, and except for injunctions filed by Us, any arbitration or litigation must be in Home County, currently Los Angeles, California See any state-specific addendum attached to the Franchise Agreement as Exhibit C
w Choice of law	FA § 18	Federal trademark law, and other federal laws govern where applicable The law of your home state will govern any disputes relating to your covenants not to compete with us Otherwise, California law applies, except where individual state laws supersede, as reflected in any state-specific attachment to the Franchise Agreement, subject to state law

h "Cause" defined as defaults which cannot be cured	FA § 17	Non-curable defaults: Bankruptcy or similar action, loss of possession, material misrepresentation in obtaining franchise, violation of health and safety laws, conviction of a felony, failure to obtain consent to transfer rights, or repetition of a default within any 12 month time period
i Obligations on termination	FA § 17	Immediate obligations include no more use of Our name, Marks or proprietary information, return of Our Manual(s), and proprietary equipment, and de-identify all parts of Your Business
j Assignment of contract by Us	FA § 19	No restriction on Our right to assign
k "Transfer" by You - definition	FA § 15	Includes transfer of rights under Franchise Agreement and ownership change
l Our approval of transfer by franchisee	FA § 15	We have the right to approve all third party transfers but will not unreasonably withhold approval
m Conditions for Our approval of transfer	FA §15	No default, assets of the Business in standard condition, payment of all amounts owed to Us and Our affiliates, payment of transfer fee, transferee qualifies and passes training, current Franchise Agreement signed by transferee and release and non-competition agreement signed by You
n Our right of first refusal to acquire Your business	FA § 15	We can match any offer for Your franchise Business
o Our option to purchase Your business	FA § 15, 17	We may purchase Your Business assets at fair market value if the agreement is terminated
p Your death or disability	FA § 16	Approval by Us of heir or sale within six months to an approved buyer
q Non-competition covenants during the term of the franchise	FA § 14	No interest in a Business or similar business offering the same or similar products and services as those offered in a the COOP® Business ("**Similar Business**") without Our advanced written approval
r Non-competition covenants after the franchise is terminated, transferred or expires	FA § 14	No interest in any Similar Business for 1 year within 30 miles of Your Territory, of Businesses owned by Us or the Company, or any of Our other franchisees' Business

~~s Modification of the agreement~~	~~FA § 19~~	~~Only written and signed modifications but Manual subject to change~~
~~t Integration/ merger clause~~	~~FA § 19~~	~~The agreement between the parties is limited to the agreement and other documents referred to therein Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable~~
~~u Dispute resolution by arbitration or mediation~~	~~FA § 18~~	~~Except for certain claims, all disputes must be arbitrated in county where Our headquarters are located ("Home County"), currently Los Angeles County, California~~
~~v Choice of forum~~	~~FA § 18~~	~~Except for injunctions filed by Us, any arbitration or litigation must be in Home County, currently Los Angeles, California~~
~~w Choice of Law~~	~~FA § 18~~	~~Laws of the State of California applies, except the Lanham Act shall also apply to provisions concerning trademarks, trade names, services marks, slogans, copyrights, designs, emblems, logos, trade dress, trade secrets and commercial symbols~~

ITEM 18 PUBLIC FIGURES

Barbara Corcoran is a public figure and is an owner and investor of Ours and the Company We do not pay Ms Corcoran any specific amount of money to promote Us, but Ms Corcoran owns 5% of Our membership interests Ms Corcoran is not directly involved in Our day-to-day operations

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 businesses 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 Business You are considering buying, or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular -location or under particular circumstances

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised ~~businesses~~ outlets We also do not authorize ~~Our~~our employees or representatives to make

any such ~~representation~~representations either orally or in writing If ~~You~~you are purchasing an existing ~~Business~~outlet, however, ~~We~~we may provide ~~You~~you with the actual records of that ~~Business~~

outlet If ~~You~~you receive any other financial performance information or projections of ~~Your~~your future income, ~~You~~you should report it to the franchisor's management by contacting Our Legal Department at 11118 Ventura Boulevard, Studio City, CA 91604, (818) 760-9613, the Federal Trade Commission and the appropriate state regulatory agencies

ITEM 20
BUSINESSS AND FRANCHISEE INFORMATION

~~Table No~~TABLE NO 1
~~SYSTEM WIDE BUSINESS SUMMARY~~
~~For Fiscal Years Ended 2014 to~~
Systemwide Outlet Summary for Years 2015 through 2017
~~2016~~

~~Column 1~~ ~~Business~~Outlet Type	~~Column 2~~ Year	~~Column 3~~ ~~Businesses~~Outlets at the Start of the ~~Start of the~~ Year	~~Column 4~~ ~~Businesses~~Outlets at the End of the Year	~~Column 5~~ Net Change
Franchised	2015~~2014~~	0	0	0
	2016~~2015~~	0	~~1~~2	~~+1~~2
	2017~~2016~~	~~0~~2	~~2~~7	~~+1~~5
Company-Owned	2015~~2014~~	1	1	0
	2016~~2015~~	1	1	0
	2017~~2016~~	1	1	0
Total ~~Businesses~~Outlets	2015~~2014~~	1	1	0
	2016~~2015~~	1	~~2~~3	~~+1~~2
	2017~~2016~~	~~1~~2	~~3~~8	~~+1~~5

~~Note Our Fiscal Year ends December 31~~

~~Table No~~TABLE NO 2
~~TRANSFERS OF BUSINESS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR)~~
~~For Fiscal Years Ended 2014 to~~
Transfers of Outlets from Franchisees to New Owners (Other than Franchisor or an Affiliate) for

Years 2015 through 2017

~~2016~~

~~Column 1~~ State	~~Column 2~~ Year	~~Column 3~~ Number of Transfers
California~~Totals~~	2015~~2014~~	0
	2016	0
	2017	0
Total	2015	0
	2016	0
	2017	0

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~~Table No~~TABLE NO 3
~~STATUS OF FRANCHISED BUSINESS~~
~~For Fiscal Years Ended 2014 to~~
Status of Franchised Outlets for Years 2015 through 2017
~~2016~~

~~Column 1~~ State	~~Column 2~~ Year	~~Column 3~~ ~~Businesses~~ Outlets at Start of Year	~~Column 4~~ ~~BusinessesOutlets~~ Opened	~~Column 5~~ ~~TerminationsTermi~~n-ations	~~Column 6~~ Non-Renewals	~~Column 7~~ Reacquired ~~By~~ by Franchisor	~~Column 8~~ Ceased Operations -Other Reasons	~~Column 9~~ ~~Businesses~~ Outlets at End of the Year
~~Texas~~	2015~~2014~~	0	0	0	0	0	0	0
	2016~~2015~~	0	1	0	0	0	0	1
	~~2016~~2017	~~0~~1	~~0~~4	0	0	0	0	~~1~~5
California								
~~Total~~								
Texas	~~2014~~2015	0	0	0	0	0	0	0
	2016~~2015~~	0	~~0~~1	0	0	0	0	~~0~~1
	~~2016~~2017	~~0~~1	1	0	0	0	0	~~1~~2
Totals	2015~~2014~~	0	0	0	0	0	0	0
	2016~~2015~~	0	~~1~~2	0	0	0	0	~~1~~2
	~~2016~~2017	~~0~~2	~~2~~5	0	0	0	0	~~2~~7

~~Table No~~

TABLE NO 4
~~STATUS OF COMPANY BUSINESS~~
~~For Fiscal Years Ended 2014 to 2016~~

Status of Company-Owned Outlets for 2015 through 2017

~~Column 1~~ State	~~Column 2~~ Year	~~Column 3~~ ~~BusinessesOutlets~~ at Start of Year	~~Column 4~~ ~~BusinessesOutlets~~ Opened	~~Column 5~~ ~~Businesses~~ Reacquired from Franchisees	~~Column 6~~ ~~BusinessesOutlets~~ Closed	~~Column 7~~ ~~BusinessesOutlets~~ Sold to Franchisees	~~Column 8~~ ~~Businesses~~ Outlets at End of the Year
~~CA~~California	2015~~2014~~	1	0	0	0	0	1
	~~2015~~2	1	0	0	0	0	1

	016						
	~~2016~~2017	1	0	0	0	0	1
~~Total~~Totals	2015~~2014~~	1	0	0	0	0	1
	2016~~2015~~	1	0	0	0	0	1
	~~2016~~2017	1	0	0	0	0	1

~~Table No 5 PROJECTED OPENINGS AS OF DECEMBER 31, 2016~~

TABLE NO 5

Projected Openings for 2018 as of December 31, 2017

State	Franchise Agreements Signed But ~~Business~~ Not Opened	Projected New Franchised ~~New Businesses In The Next~~Outlets in the next Fiscal Year	Projected New Company-Owned ~~Businesses Opening In Next~~Outlets in the Current Fiscal Year
California	~~0~~1	1	0
Texas	0	1	0
Totals	~~0~~1	2	0

~~A list of the names of all franchisees, the city and state where they are based, and their primary telephone number is provided in Exhibit E to this disclosure document~~

~~The name, city, state and current business telephone number (or if unknown, the last known telephone number) of every franchisee who~~No Franchisee had ~~a business~~an agreement terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under ~~the~~Our Franchise Agreement during ~~the~~Our most recently completed fiscal year, or ~~who~~ has not communicated with Us within 10 weeks of the ~~issuance~~ date of this ~~disclosure document will be listed on Exhibit F to this disclosure document when applicable~~Disclosure Document If You buy this franchise, Your contact information may be disclosed to other buyers when You leave the franchise system

~~During~~No Franchisees have signed a confidentiality clause in a Franchise Agreement, settlement agreement or other contract within the last three ~~fiscal~~ years~~. We have signed no settlement agreements containing confidentiality clauses~~ that would restrict their ability to speak openly with You about their experience with us

A list of Our current ~~or~~ franchisees, and Our former franchisees~~.~~, as of the end of Our fiscal year on December 31, 2017 is attached to this Disclosure Document as "Exhibit E " A list of franchisees that left the System as of the end of Our fiscal year on December 31, 2017 is attached to this Disclosure Document as "Exhibit F "

~~You should be aware that We are required by law to disclose Your contact information to other franchise purchasers if You become a franchisee or leave Our franchise system~~

Franchisees Who Have Left the System

No franchisees have left the System

We have not created, sponsored, or endorsed any trademark-specific ~~franchisee~~ organization of franchisees associated with Our ~~System and no such association has~~franchise system No independent franchisee organizations have asked to be included in this disclosure document

ITEM 21

FINANCIAL STATEMENTS

Our fiscal year end is December 31 Attached as **Exhibit D** to this disclosure document are Our reviewed and audited financial statements dated December 31, 2015~~and~~, December 31, 2016~~. We have no other audited or unaudited financial statements to provide as We were not formed until March 2015~~, and December 31, 2017

ITEM 22

CONTRACTS

~~Copies of the following agreements are attached~~

The contracts following this Item 22 are listed in the order in which they appear as exhibits to this Franchise Disclosure Document At this time, these are the only contracts that We expect that We will enter into with a franchisee in any state, although We reserve the right to enter into different types of contracts with its franchisees as Our business develops As a prospective franchisee, You should obtain independent legal and financial advice concerning this franchise offering as You deem appropriate before making any commitment

A - Franchise Agreement with Exhibits and State Addenda

ITEM 23

RECEIPTS

You will find two copies of a detachable receipt at the very end of this disclosure document

~~It is important that You sign, date and return a Receipt to Us. As noted on the cover page, this disclosure document is available in electronic format, in which case You must print a copy of the Receipt and send a signed and dated copy to Us. Thank you.~~

~~[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]~~

Please complete both copies, detach and return one copy to Us and keep the other copy in the Franchise Disclosure Document for Your own records.

EXHIBIT A

FRANCHISE AGREEMENT

THE COOP

Franchise Agreement

Franchise Unit - _____

Franchisee Name

_____

Approximate Territory

_____

Agreement Date

_____

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THE COOP FRANCHISE GROUP, LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "Agreement") is made and entered into as of the ____ day of _____, 2017 _____, 201__ (the "Effective Date," regardless of the dates of the parties' signatures) by and between THE COOP FRANCHISE GROUP, LLC, a California Limited Liability Company with its principal business address at 11118 Ventura Boulevard, Studio City, California 91604 ("We," "Us," or "Our"), and _____, whose principal business address is _____, whose principal business address is _____ ("you" or "your")

1 KEY TERMS

A. The System

"System" – The business methods, designs, know-how and arrangements for developing and operating The COOP® businesses, which include the Trademarks, trade dress, building design and layouts, equipment, training, and certain operating and business standards and policies, all of which We may improve, further develop or otherwise modify from time-to-time

B. Gross Sales

"Gross Sales" means all receipts generated by Your Business from any source including sales, exchanges, services, labor, service charges, ~~etc~~and the like Credit sales shall be calculated as of the date of sale without deduction for uncollected credit accounts Gross Sales shall not include ~~bonafide~~bona-fide credits for returns of merchandise, promotional discounts, or the amounts collected and paid to appropriate governmental authorities under the provisions of any Sales Tax, Retailer's Occupation, or similar Act The proceeds from any business interruption insurance or eminent domain recovery You receive are included in Gross Sales

C. Trademarks

"Trademarks" means collectively, those trademarks, service marks, trade names and other commercial symbols and related logos, including the trade name "The COOP®," together with such other trade names, trademarks, service marks, symbols, logos, distinctive names, and elements, trade dress, logos, designs, insignia or other items which may be designated by Us from time-to-time

D Manual

"Manual" means, collectively, all books, pamphlets, bulletins, memoranda, letters, notices, computer media (i e computer software, CD-ROM) or other publications, documents or electronic media prepared by or on behalf of Us for use by franchisees generally or for You in particular, setting forth information, advice, standards, requirements, operating procedures, recipes, instructions or policies relating to the operation of outlets, as We may amend from time-to-time

E. Franchised Business

"Franchised Business" means the business operated by You under this Agreement located at _____[physical address]_____(the "Premises")

F Control Person (Principal Owner)

"Control Person" means an individual who has the authority to, and does in fact, actively direct Your business affairs in regard to the Franchised Business and is responsible for overseeing the general management of the day-to-day operations of the Franchised Business Unless You notify Us otherwise in writing, a Control Person who does not have an ownership interest in the Franchised Business shall be deemed to have authority to sign on Your behalf on all contracts and commercial documents If You consist of one or more individuals, each such individual shall be deemed to be a Control Person of the Franchised Business

2 GRANT

A. Grant of Rights

Subject to the provisions of this Agreement and for the term hereinafter specified, We hereby grant to You a non-exclusive right to operate a Franchised Business at and only at the Premises and a non-exclusive license to use the System and Trademarks solely and exclusively in the operation thereof Termination or expiration of this Agreement shall constitute a termination or expiration of the rights and license granted herein to You

B. Non-Exclusive Territory

The rights granted to You are site specific, for use only at the Premises identified in Section 1(e) of this Agreement, and provide no rights of exclusivity to You So long as You remain in full compliance with the terms of this Agreement and any other agreement that You and We may be parties to, We will not ourselves operate, or sell to third parties, any competing business that is identical to your Franchised ~~Businesses~~Business within Your Territory~~ to any third parties Notwithstanding the foregoing, Your rights do not include (i) an exclusive area or protected territory within which We or Our affiliates agree not to operate or authorize others to operate competing businesses, (ii) any right to sell products and items identified by the Trademarks at any location other than at the Premises or through any other channels or methods of distribution, including the Internet (or any other existing or future form of electronic commerce) and pre-packaged retail sales, (iii) any right to sell products and items identified by the Trademarks to any person or entity for resale or further distribution, (iv) any existing clients of Ours or Our affiliates, (v) any customers or prospective customers that contact Us directly, (vi) corporate accounts belonging to Us or Our affiliate, (vii) any national organization, or (viii) any right to exclude, control or impose conditions on the location or development of future stores at any time~~

C. Reservation of Rights and Alternate Channels of Distribution

We and Our affiliates (and Our respective successors and assigns, by purchase, merger, consolidation or otherwise) retain all of Our rights with respect to ———the Trademarks, the System and the businesses we franchise under them anywhere in the world, and the right to engage in any business whatsoever outside of Your Territory, including the right to engage in the following activities anywhere, including within Your Territory

~~Trademarks, the System and the Franchised Businesses anywhere in the world, and the right to engage in any business whatsoever, including the right to~~

I. issue competing franchises or operate competing businesses identified by the Trademarks for or at locations~~, as~~ determined by Us and Our affiliates~~, including in close proximity to the Franchised Business location~~,

II. sell products and items identified by the Trademarks to any person or entity for resale or further distribution,

III. provide services to, work with, or sell products to clients, customers, or prospective customers of Ours or our affiliates who were known to us prior to the Effective Date,

IV. provide services to, work with, or sell products to regional or national corporate accounts or national organizations, based on relationships between Us or Our affiliates,

~~II~~V. distribute or sell products identified by the Trademarks, or any other trademarks, service marks, trade names and commercial symbols, through any distribution channels or methods, including the Internet (or any other existing or future form of electronic commerce) and pre-packaged retail sales, which periodically may be established or licensed by Us or Our affiliates, ~~and~~

VI. Maintain any websites utilizing a domain name incorporating the Trademarks or derivatives of them We retain the sole right to advertise and market on the Internet and use the Trademarks on the Internet, including all use of websites, domain names, URLs, directory addresses, metatags, linking, advertising, and co-branding and other arrangements,

VII. Advertise and promote, and to permit other franchisees to advertise and promote, other businesses operated under the System and the Trademarks within Your Territory

VIII. Acquire, merge, combine with, or be acquired by businesses that are the same as or similar to Your Franchised Business and operate such businesses regardless of where such businesses are located, including inside Your Territory, and to be acquired by any third party which operates businesses that are the same as, or similar to, Your Franchised Business, regardless of where such businesses are located, including inside Your Territory

~~III~~IX. operate, and grant to others the right to operate establishments identified by trade names, trademarks, service marks or trade dress, other than the Trademarks, pursuant to such terms and conditions as We deem appropriate which may include locations in close proximity to the Franchised Business location

3 INITIAL FEES & ROYALTY

A. Initial Franchise Fee

In consideration of You receiving the opportunity to establish the Franchised Business, and conduct it at the Premises, You shall pay ~~to~~ Us an initial, non-recurring, non-refundable franchise fee in the amount of Thirty-Five Thousand Dollars ($35,000) The Initial Franchise Fee shall be deemed to be fully earned by Us upon Our execution of this Agreement and in consideration of the grant by Us to You of the opportunity to establish the Franchised Business as herein provided Except as stated in Section 6 B, You shall not be entitled to a refund of any part thereof, regardless of the date of expiration or termination of this agreement, except as specifically provided herein

B Continuing Royalty

In return for the on-going rights and privileges granted to You hereunder, You shall pay to Us,

throughout the term of this Agreement, a royalty of six percent (6%) of Gross Sales for each calendar month (the "Royalty Fee") The Royalty Fee is payable in arrears on or before the 8th day of each month for the Gross Sales generated by You during the immediately preceding month Notwithstanding the foregoing, You will be

required to pay Us a minimum royalty each month equal to seven hundred and fifty dollars ($750) beginning in the seventh month of Your Franchised Business being in operation

C Late Payments

In the event a payment due from You to Us becomes delinquent, You must pay Us a service charge equal to one hundred dollars ($100) A payment shall be deemed delinquent for any of the following reasons (i) the payment is not received by Us on or before the date due, (ii) the payment is received by Us on or before the due date, but is not honored by Your bank or financial institution, or (iii) if You are required to pay by electronic transfer of funds or some other method of payment as described above, there are insufficient funds in the Franchisee's bank account to collect the payment by a transfer of funds on or after the date due The service charge is not interest or a penalty It is only to compensate the Franchisor for increased administrative and management costs due to late payment

D Electronic Fund Transfers

We have the right to require You to sign electronic transfer of funds authorizations, and/or such other documents as We designate from time-to-time, to authorize and direct Your bank or financial institution to transfer either electronically or through some other method of payment designated by Us, directly to Our account or Our affiliates and to charge to Your account all amounts due to Us and/or Our affiliates by You're your authorizations shall permit Us and/or Our affiliates to designate the amount to be transferred from Your account If We require payment through the electronic transfer of funds or through some other method of payment, You shall thereafter maintain a balance in its account sufficient to allow Us and Our affiliates to collect the amounts owed to them when due You shall be responsible for any penalties, fines or other similar

expenses associated with the transfer of funds described in this subparagraph You acknowledge and agree that We have the right to require You to pay either by electronic transfer of funds or through some other method of payment designated by the Us, as described in this subparagraph, regardless of whether We impose the same requirement on other Franchisees

E Application of Payments

All payments by You will be applied in such order as We may designate from time-to-time You agree that You may not designate an order for application of any fees- different from that designated by Us and You expressly acknowledge and agree that We may accept fees paid pursuant to different instructions without any obligation to follow such instructions, even if such payment is made by its terms conditional on such instructions being followed This provision may be waived only by written agreement signed by Us, which written agreement must be separate from the check or other document or medium constituting or transmitting payment

4 TERM

A. Initial Term

The term of this agreement (the "Initial Term") shall commence on the ~~date hereof~~Effective Date, and shall expire at midnight on the day preceding the fifth (5th) anniversary thereof, unless terminated sooner in accordance with the provisions of this Agreement

B. Renewal and Renewal Conditions

~~We~~You may, at ~~Our~~Your option, renew Your franchise for up to five (5) additional periods of five (5) years, provided that~~, at the time of renewal~~ you satisfy each of the following conditions (unless we choose to waive the condition in our sole discretion)

I. You give Us written notice of such election to renew not less than six (6) months nor more than twelve (12) months prior to the end of the Term,

II. You execute Our then-current standard form of Our Franchise Agreement, which may include~~,~~ substantially different terms than those contained in this Agreement, including without limitation~~,~~ a higher royalty fee, smaller territory, and a higher advertising contribution, if any, than that contained in this Agreement, ~~and~~

III. You are not in default of any provision of this Agreement, or any amendment~~-~~ hereof or successor hereto, or any other agreement between You and Us, or any subsidiary or affiliate of Ours, and You have fully and faithfully performed all of Your obligations throughout the Term,

IV You have paid or otherwise satisfied all monetary obligations owed You to Us and Our subsidiaries and affiliates and You have timely paid or otherwise satisfied these obligations throughout the term of this Agreement,

V You agree, at Your sole cost and expense, to reimage, renovate, refurbish and modernize the Franchised Business, within the time frame required by Us, including the building design, parking lot, landscaping, equipment, signs, interior and exterior decor items, fixtures, furnishings, trade dress, color scheme, presentation of trademarks and service marks, supplies and other products and materials to meet Our then-current standards, specifications and design criteria for the Franchised Business, as contained in the then-current Franchise Agreement, Manual (as defined herein), or otherwise in writing, including, without limitation, such structural changes, remodeling and redecoration and such modifications to existing improvements as may be necessary to do so, and

VI. You shall have paid to Us a renewal fee of twenty percent (20%) of Our then-current initial franchise fee

5 TRAINING AND OPERATING ASSISTANCE

A. Initial Training by the Franchisor

We shall provide to You, prior to the opening of the Franchised Business, for You and one (1) other key employee designated by You and approved by Us, a training

course of such duration and at such location as We may deem necessary, covering all phases of the System You and Your trainee shall be obligated to attend, and successfully complete to Our satisfaction, Our training course You shall be responsible for all travel, lodging and living expenses and all wages payable to any trainees No wages shall be payable by Us to any such trainee for any service rendered at any outlet during the course of such training We further agree to furnish one (1) person, experienced in the System, to assist You at the Premises for such period immediately preceding or following the opening as We deem necessary and reasonable Additional training, start-up assistance or retraining or refresher courses may be provided by Us (although We are not required to do so) at a cost to You based on Our then-current daily fee for Our personnel performing such training or assistance, plus other reasonable expenses, including all travel, meal and accommodation expenses

B. Ongoing Training by the Franchisor

To assist You in the operation of the Franchised Business, We may offer, but are not obligated to offer, additional training programs and/or refresher courses to You, Your branch manager/operations manager and/or Your employees from time-to-time We may require Your attendance at these programs and/or courses You are responsible for all expenses related to this additional training, for Yourself, Your branch manager/operations manager, and Your employees, including transportation to and from the training site and lodging, meals, and salaries during such training The additional training programs and refresher courses, if offered, will be at Our then-current tuition for such training

C. Franchisor's Operating Assistance

We may advise You from time-to-time regarding operating issues concerning the Franchised Business disclosed by reports You submit to Us or on-site inspections that We will make from time-to-time Such guidance may be furnished in Our Manual, bulletins or other written materials (including electronic communication) and/or during telephone consultations and/or consultation at Our office or the Franchised Business In addition, We may furnish guidance to You with respect to

I. standards, specifications and operating procedures and methods utilized by the Franchised Business,
II. purchasing,——required fixtures, furnishings, equipment, signs, —products, materials and suppliers,
III. advertising and marketing programs,
IV administrative, bookkeeping and accounting procedures, and
V use of authorized and approved computer systems

6 LOCATION AND PREMISES

A. Approval and Choice of Location and Franchisor's Approval

You acknowledge that, following the signing of this Agreement, You will find and submit to Us a location for the Franchised Business You acknowledge and agree that Our consent to the location, and any information regarding the location communicated

to ~~the~~ You regarding the standard site selection criteria for the Franchised Businesses, does not constitute a representation or warranty of any kind, express or implied, as to the suitability of the location for the Franchised Business or for any other purpose Our recommendation of, or consent to, the location indicates only that We believe that the location falls within the acceptable criteria for locations that We have established as of the time of the consent to the location You acknowledge and agree that Your selection of the location is based on Your own independent investigation of the suitability of the location

B. Lease of the Location

You must lease the location for Your Franchised Business within six (6) months after signing this Agreement You must receive Our written approval before executing the lease for the location Failure to sign a lease within this timeframe constitutes grounds for immediate termination of this Agreement ~~and the loss of the Franchisee's Initial Franchise Fee, less eighty percent (80%) of the non-refundable portion~~ We may, in those circumstances, refund twenty percent (20%) of your initial franchise fee to you We have the right, but not the obligation, to review and approve the terms of any lease for the location, and You agree to deliver a copy to Us for approval before it is signed You agree that any lease for the location must be in form and substance satisfactory to Us

C. Lease by the Franchisee

You may not execute a lease, sublease, or any modification thereof without Our approval Our approval of the lease, sublease or purchase contract does not constitute a warranty or representation of any kind, express or implied, as to its fairness or suitability or as to Your ability to comply with its terms We do not, by virtue of approving the lease, sublease, or any modification thereof, assume any liability or responsibility to You or to any third parties Such approval indicates only that We believe that the location and certain terms of the lease, sublease, any modification thereof, fall within the acceptable criteria established as of the time of approval You further acknowledge that We have advised You to seek legal counsel to review and evaluate the lease You must deliver a copy of the fully signed lease, sublease, any modification thereof, to Us within five (5) days after its execution

D Relocation

~~With Our consent,~~ You may apply to relocate the Franchised Business to a location within ~~the~~Your Territory, subject to Our then-current Relocation Policy ~~Currently Our Relocation Policy requires You to pay Us~~ and your payment of a ~~Relocation Fee equal to~~relocation fee of five thousand dollars ($5,000~~) and is due prior to You signing a lease for the new location~~) We will consent to or reject You relocation application in accordance with Our then-current Relocation Policy If the Franchised Business is temporarily closed pending relocation, You may not assign any interest in the franchise to another party or entity until such time as the Franchised Business is reopened and in operation

E. Modernization or Replacement

You shall effect such items of modernization, refurbishing and/or replacement of the building, Premises, equipment, signage and grounds as may be reasonably necessary to permit the same to reasonably conform to the standards then-prescribed by Us for

similarly situated Franchised Businesses (i) as a condition of the renewal of this Agreement, and (ii) every five (5) years, or any shorter period required by any lease for the Premises, provided, if this last requirement is triggered within two (2) years prior to the expiration of a nonrenewable lease, You shall not be required to effect the same, unless the landlord of the Franchised Business Premises requires You to modernize under the terms of the lease You acknowledge and agree that the requirements of this subparagraph are both reasonable and necessary to insure continued public acceptance and patronage of the Franchised Business and to avoid deterioration or obsolescence in connection with the operation of the Franchised Business

7 DESIGN AND CONSTRUCTION

A. Development of Premises by the Franchisee

You shall construct and equip the Premises in conformity with the System standard layout plans, specifications and drawings approved by Us We shall have the right to inspect the construction and development of the Premises at all reasonable times The cost of plans, designs, drawings, and specifications, any commissions or broker's fee payable by Us to find or secure the Premises and/or You, and all costs and expenses pertaining to the construction and equipping of the Premises shall be borne exclusively by You We shall provide such advice and assistance to You in constructing and equipping the Premises as may reasonably be required You agree to do or cause to be done the following at Your sole cost and expense

I. ensure that all applicable laws, building codes, permit requirements and lease requirements and restrictions are complied with in connection with such construction,

II. obtain all required building, utility, sign, sanitation and business permits and licenses and any other required permits and licenses,

III. construct all required improvements to the Premises and decorate the Premises in compliance with plans and specifications approved by Us,

IV subject to the provisions hereof, purchase or lease and install all fixtures, equipment and signs required for the Premises by Us, and

V present a chosen contractor and contractor's tender for approval by Us and retain and compensate all contractors, subcontractors or other professionals required in connection with the construction and development of the Premises

B. Licenses and Permits

You must at all times maintain the Premises and conduct operations in compliance with all applicable laws, regulations, codes and ordinances You must secure and maintain in force all required licenses, permits and certificates relating to the Franchised Business

C. Fixtures, Equipment, Signs and Computers Systems

You agree to use in the operation of the Franchised Business only those brands or types of fixtures, equipment (including without limitation, computers, cash registers and point of sales systems), and signs that We have approved as meeting its specifications and standards for design, appearance, function, performance and serviceability We may require You to purchase one or more of these items from Us or Our affiliates You may purchase approved brands or types of fixtures, equipment and signs only from suppliers approved by Us, which may include Us or Our affiliates You further agree to place or display at the Premises (interior and exterior) only such signs, emblems, lettering, logos and display materials that are from time-to-time approved in writing by Us

D Commencement of Operations

You agree not to open the Franchised Business until You are notified by Us that the Franchised Business meets Our standards and specifications, You are fully-staffed, You have successfully completed training to Our satisfaction, You have an approved marketing plan, You have given Us a copy of the lease or sublease for the location, We have been furnished with copies of all insurance policies required by this Agreement -and the lease, or such other evidence of insurance coverage and payment of premiums as We request or accept them, You have obtained all required permits, licenses, and certifications for operating the Franchised Business, and the location is in compliance with all laws, rules and regulations, and all applicable franchise fees and other amounts owing to Us or Our affiliates have been paid

8 OPERATION OF FRANCHISED BUSINESS

A. Ongoing Duties and Obligations of Franchisee

You acknowledge that We have invested and are investing time and capital in the advertising and promotion of Our franchises and other outlets as a chain of outlets conducting business in a uniform and high quality manner You understand and acknowledge that such advertising and promotion by Us has created and is creating goodwill and customer association in the Trademarks, which benefit Us, You and all other franchisees You acknowledge that, to foster and preserve such goodwill, it is necessary for You to operate the Franchised Business in a manner and to a quality consistent with the System and the businesses heretofore operated by Us and/or its franchisees You agree to operate the Franchised Business strictly in accordance with the System, whether contained in the Manual, or otherwise Without limiting the generality of the foregoing, You agree as follows

I to operate the Franchised Business with due diligence and efficiency in an up-to- date, quality and reputable manner during such days, nights and hours as may be designated by Us for the Premises,

II—You shall ensure that at all times prompt, courteous and efficient service is accorded -to -Your customers -You -shall-, in -all -dealings -with -Your —customers,

II. suppliers, and the public, adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct,

III. You shall sell such products and services, and only such products and services, as meet Our uniform standards of quality and quantity, as have been expressly approved for sale in writing by Us and as have been prepared in accordance with Our methods and techniques for product preparation You shall sell all approved products and services and You shall not offer for sale any other products or services from the Premises You shall immediately discontinue the sale of any products or services of any kind whatsoever as We prohibit in writing,

IV You agree to maintain the condition and appearance of the Franchised Business and the equipment used therein consistent with the then-current image, as it may be from time-to-time, of Our franchised outlets as attractive, modern, clean, convenient and efficiently operated business offering high quality products and service You agree to effect such maintenance of, and repairs to the Premises and the equipment installed therein as is reasonably required on a regular and frequent basis and maintain such condition and appearance,

V You shall not make or cause to be made any alterations to the interior or exterior of the Premises so as to modify the appearance thereof or any alterations or replacements of any of the leasehold improvements, fixtures or equipment at the Premises without first having obtained Our written approval

VI. You shall participate fully in all national, regional and local promotions that We initiate,

VII. You shall, upon Our request and at Our option, make available for a reasonable period of time each member of Your staff and manager for training or retraining by Us, at Our head office or other locality designated by Us Such training or- retraining shall be conducted at no cost to You, provided however, that You shall be responsible for all travel, food and lodging costs,

VIII. You shall comply with all municipal, state and federal laws and regulations and shall obtain and at all times maintain and keep in good standing, any and all permits, certificates and licenses necessary for the proper conduct of the Franchised Business pursuant to the terms of this Agreement,

IX. You shall devote Your full time and attention to the establishment, development and operation of the Franchised Business,

~~X~~ You agree that, if We specify, all items will be served in containers bearing accurate reproductions of the Trademarks, which reproductions shall be submitted to Us for prior written approval before usage ~~All napkins, straws, bags, cups, menus and other paper goods,~~ All promotional, packaging and point of sale materials, and like articles used in connection with the Franchised Business shall be of a

X. quality and style and bear such reproductions of the Trademarks as We shall specify and all art work and reproductions used in connection therewith shall conform to specifications We establish and be submitted to Us for prior written approval before usage You must purchase such imprinted items only from Us, Our affiliates, or suppliers approved by Us

B. Restrictions on Services and Products

You acknowledge that the reputation and goodwill of the System is based upon, and is maintained and enhanced by, the sale of high quality products and services and the satisfaction of customers who rely upon the uniformly high quality of products and services that are sold under the System and such continued uniformity is essential to –the goodwill, success and continued public acceptance of the System Accordingly, You agree to sell, offer or otherwise deal in only such products and services as We shall first approve of in writing

Recognizing that the products to be used in the Franchised Business must conform to Our standards and specifications, You hereby agree to purchase all products, including without limitation, all inventory, only from Us, or suppliers approved or designated by Us (which may include Our affiliates)

So long as You are not in default of this Agreement, We will endeavor to use Our reasonable efforts to fill all orders placed by You as promptly as possible However, We will not be liable for loss or damage due to delay in delivery resulting from any cause beyond its reasonable control, including, but not limited to, compliance with any regulations, orders or instructions of any federal, state or municipal government or any department or agency thereof, acts or omissions of the Franchisee, acts of civil or military authority, fires, strikes, lockouts, embargoes, delays in transportation, and inability due to causes beyond Our control to obtain the necessary products or ingredients In no event shall We be liable for financial loss, including consequential or special damages on account of delay due to any cause

You shall not dispose of products at prices greater than the prices set by Us from time-to-time as the maximum selling price for products Wherever reasonably possible, You shall sell or dispose of all products at such prices as We may reasonably suggest from time-to-time, provided it is hereby agreed that notwithstanding the foregoing, You are under no obligation to accept such suggested resale prices and You may sell the products, at any reasonable prices, less than the maximum selling price set by Us

C. Request for Change of Supplier

In the event that You wish to purchase any unapproved item, including inventory, and/or acquire approved items from an unapproved supplier, You must provide Us with the name, address and telephone number of the proposed supplier, a description of the item that You wish purchase, and purchase price of the item, if known At Our request, You must provide Us, for testing purposes, a sample of the item You wish to purchase -If We incur any costs in connection with testing a particular product or evaluating an unapproved supplier at Your request, You or the supplier must reimburse Us for Our

reasonable testing costs, regardless of whether We subsequently approve the item or supplier Nothing in the foregoing will be construed to require Us to approve any particular supplier We may base Our approval of any such proposed item or supplier on considerations relating not only directly to the item or supplier itself, but also indirectly to the uniformity, efficiency, and quality of operation We deem necessary or desirable in the System as a whole Nothing herein will require Us to approve an unreasonable number of suppliers for a given item, which approval might, in Our judgment, result in higher costs or prevent the effective or economical supervision of approved suppliers We may revoke Our approval of particular products or suppliers when We determine that such products or suppliers no longer meet Our standards Upon receipt of written notice of such revocation, You must cease purchasing products from such supplier You must use products purchased from approved suppliers solely in connection with the operation of the Franchised Business and not for any competitive business purpose

You shall purchase all ingredients, products, materials, supplies, and other items required in the operation of the Franchised Business which are or incorporate trade- secrets of Ours, as designated by Us only from Us or suppliers designated by Us ("Trade Secret Products") The parties expressly acknowledge that Your ability to receive shipments of the Franchisor's Trade Secret Products is an essential element of and condition to the grant made herein If We are prevented by a governmental- authority from delivering such Trade Secret Products to You, or if You are so prevented from receiving such Products, the prohibited party shall immediately notify the other -and, at which time, We may, at its sole option, do one or more of the following (i) We may, at Our option, arrange for other suppliers of such Trade Secret Products during such period of prohibition, or (ii) We may, at Our option, terminate this Agreement

D Volume Rebates and Bonuses

You acknowledges that We shall be entitled to the direct or indirect benefit from mark-ups, rebates, discounts, allowances, benefits, and other similar receipts and advantages that We may obtain from any supplier by reason of such supplier supplying products or services all of which We are entitled to retain for its own use and credit without accounting to You in respect thereof

E. System Modifications

You acknowledge and agree that We may from time-to-time hereafter add to, subtract from, modify or otherwise change the System, including, without limitation, the adoption and use of new or modified trademarks or trade names, new products or services and new techniques in connection therewith, and You agree, at Your own cost, to promptly accept, implement, use and display all such alterations, modifications and changes

F Franchised Business Telephone Numbers, E-Mails and Web Site

You acknowledge that, at all times, the Franchised Business telephone number(s) and listing(s) shall remain in the name, and the sole property, of Ours Provided that You shall be responsible for any and all costs, expenses and deposits associated with the Franchised Business telephone number(s) and listing(s) including, without limiting

the generality of the foregoing, any telephone company deposits and all local, long distance, installation, and connection charges

You agree to advertise the Franchised Business, at Your expense, in the white pages and classified section (yellow pages) of all local telephone directories or any other directories (hard copy or electronic) as We designate, using only such advertisements as may be approved by Us If other ~~franchised~~ businesses in the System are served by the same white pages or classified section, We shall have the right to require group listings therein, to make direct arrangements with the telephone company on behalf of any franchisees included

We retain all rights relating to Our web site, e-mail address, and intranet system or other online communications and specifically Your use of the Trademarks or any advertising is subject to this Agreement We reserve the right to establish and modify rules which will govern Your use of the Trademarks on the Internet and in domain names and You agree to abide by such rules Your right to use the Trademarks on the Internet will terminate immediately upon the expiration or termination of this Agreement You must maintain (i) an e-mail account for Our direct correspondence with the Control Person, and (ii) a separate e-mail account for the Franchised Business

G Participation in Internet Web Site or Other On-line Communications

You will, at all times during the term of this Agreement, at Your expense, have access to the Internet through an Internet Service Provider You must participate in Our Web Site listed on the Internet or other on-line communications, developed now or in the future (collectively, "Web Site") We will determine the content and use of the Web Site and will establish the rules under which You will participate in the Web Site or separately use the Internet or other on-line communications We may, but are not obligated to, provide You with a webpage on the Web Site

If You are provided with a webpage, You must provide Us with any information and materials requested to develop, update and modify the webpage and notify Us whenever any information on the webpage is not accurate We will own all intellectual property and other rights in the Web Site including Your webpage, and all information it contains, including, without limitation, the domain name or URL for Your webpage, the log of "hits" by visitors, and any personal or business data that visitors supply We will retain all rights relating to the Web Site and have the absolute right to alter or terminate the Web Site

Your general conduct on the Web Site and specifically Your use of the Trademarks or any advertising on the Web Site (including the domain name and any other Trademarks We may develop as a result of participation in the Web Site) will be subject to the provisions of this Agreement You acknowledge that certain information obtained through participation in the Web Site may be considered Confidential Information, including passwords, access codes and identification codes You are responsible for ensuring that Your employees maintain the same level of confidentiality You may not

separately register any domain name containing any of the Trademarks nor participate in any web site that markets goods and services similar to a Franchised Business You may not use or reference the Trademarks in any online communication or web site (including, without limitation, all current and future social media platforms) absent Our prior written approval Your right to participate in the Web Site or otherwise use the Trademarks or System on the Internet or other on-line communications will terminate when this Agreement expires or terminates

If we permit you to use social media to promote Your Franchised Business, You agree to establish a dedicated account for Your Business with each ~~of Facebook, LinkedIn, Twitter, and other social networking websites~~social media website at Our request and these accounts must comply with Our guidelines including posting of content and representation of the Trademarks If any objectionable content is posted to, or in -relation with, one of these sites, You must immediately remove such content after notice from Us to remove it If the objectionable content is not immediately removed, We shall have the right to terminate this Agreement Any online presence that You establish relationship to Your Business must first receive Our prior written consent You explicitly agree to provide Us with, and keep Us advised of any changes to, all of the user IDs -and passwords (i e login information) related to each of the online sites related to Your Business

H. Central ~~Ordering and~~ Reservation ~~Systems~~System

You shall participate in and promote any reservation system that is now maintained or may hereafter be established or designated by Us (the "Reservation System") Such Reservation System may, at Our option, be combined with reservation systems which service rental, leasing and sales systems other than the System, including, without limitation, such owned or operated by the Us or Our affiliates You shall comply with all of the terms, conditions and procedures of the Reservation System, shall accept and service all reservations received through the Reservation System, regardless of the medium by which the reservation is received (e g telephone, central Reservation System, global distribution systems, Internet, or other collection or distribution systems) and shall pay to Us or its designee the fees and other charges imposed by Us and/or due under the Reservation System In addition, You shall accept and service all reservations for ~~Rental~~ services which are received from other franchisees of the- System and Us and shall transmit all reservations which You are requested to place by any Customer to the appropriate Franchisee of the System or Us, without charge to the Customer and without fee to the receiving Franchisee or Us, other than as may be specified in the Operations Manual You shall not conduct any type of reservation system or similar service of any kind of its own, nor publish any other phone number, domain name, e-mail address or other means of communication for such purpose, except that which is designated by Us for the Reservation System Furthermore, You shall not establish or utilize a system for collecting and distributing reservations, either separately or in combination with other ~~travel~~ services, which in Our sole determination, competes with or is duplicative of a reservation, collection or distribution system established by or under Our authority, including, but not limited to, any telephone, computer or Internet reservations system In addition to all rights and remedies -available in this Agreement, at law and in equity, if You are in breach of any of the

obligations under this Agreement or any other agreement with Us or Our affiliates, We shall have the right to remove, suspend or block any Franchised Businesses of Yours from all Reservation Systems, until such breach has been cured to Our satisfaction By execution of this Agreement, You agree that neither We, Our affiliates, or the directors, officers, employees and agents of them shall be responsible for any damages, direct, incidental, or consequential, resulting from the Reservation System

9 OPERATING MANUAL AND CONFIDENTIALITY

A. Compliance With and Ownership of Manual

You shall conduct the Franchised Business strictly in accordance with all of the provisions set out in the Manual as amended from time-to-time

You hereby acknowledge that the contents of the Manual are on loan to You and shall at all times remain Our sole and exclusive property, and upon a Transfer, or the expiration or termination of this Agreement for any reason whatsoever, You ~~shall forthwith~~must immediately return to Us all written portions of the Manual together with any copies which You may have made

We may from time-to-time revise the contents of the Manual You agree to update Your copies of the Manual, and agree to comply with each new or changed standard upon reasonable notice thereof from Us In the event of a dispute about the contents of the Manual, the master copies maintained by Us at the principal offices will be controlling

B. Non-Disclosure and Confidentiality

You acknowledge that You have had no part in the creation or development of, nor do You have any property or other rights or claims of any kind in or to, any element of the System, the Trademarks or any matters dealt with in the Manual and that all disclosures made to You relating to the System and including, without limitation, the specifications, standards, procedures and the entire contents of the Manual are communicated to You solely on a confidential basis and as trade secrets, in which We have a substantial investment and a legitimate right to protect against unlawful disclosure Accordingly, You agree to maintain the confidentiality of all such information during the term of this Agreement or at any time thereafter and shall not disclose any portions of the Manual or any information whatsoever with respect to Your or Our business affairs or the System other than as may be required to enable You to conduct Your business from the Premises, and You further agree not to use any such information in any other business or in any manner not specifically approved in writing by Us

10 ADVERTISING

A. Advertising Funds

Recognizing the value of uniform advertising and promotion to the goodwill and public image of the System, You agree that We may maintain and administer a –general

advertising fund or funds (the "Marketing Fund") for such national, regional, local and other advertising programs as We may deem necessary or appropriate, in Our sole discretion The Fund is not a trust or escrow account, and We have no fiduciary obligation to You or other franchisees with respect to the Marketing Fund We have the absolute right to direct all such advertising programs with respect to the creative concepts, materials, endorsements and media used therein, and the placement and allocation thereof You shall contribute to the Marketing Fund in each month an amount equal to one percent (1%) of the Gross Sales for such month (the "Marketing Fee") The Marketing Fee shall be paid together with the royalty fees hereunder and shall be based upon Gross Sales for the preceding month

The Fund shall be used and expended for media costs, commissions, market research costs, creative and production costs, including, without limitation, the costs of creating promotions and artwork, printing costs, and other costs relating to advertising and promotional programs undertaken by Us We reserve the right to place and develop such advertisements and promotions and to market the same as agent for and on behalf of You and the System, either directly or through an advertising agency retained or formed for such purpose or through co-operative advertising groups composed of franchisees designated by Us The Fund shall be accounted for separately from the other funds of Ours and shall not be used to defray any of Our general operating expenses, except for such reasonable salaries, administrative costs and overhead (calculated on a fully allocated basis), if any, as We may incur in activities reasonably related to the administration or direction of the Marketing Fund and its advertising programs (including, without limitation, conducting market research) A non-audited statement of the operations of the Marketing Fund shall be prepared annually, at least 90 days after the end of the previous calendar year, and shall be made available to You upon request, the cost of such statement to be paid by the Marketing Fund

You acknowledge and agree that the Marketing Fund is intended to maximize general public recognition and patronage of businesses for the benefit of all outlets and franchisees in the System and that We undertake no obligation in administering the Marketing Fund to ensure that any particular franchisee, including You, benefits directly or pro-rata from the placement or conduct of such advertising and promotion

B. Local Advertising

You must use best efforts to promote and advertise the Franchised Business and participate in any local marketing and promotional programs We establish from time-to-time In addition to the Marketing Fee, You are required to spend one percent (1%) of Gross Sales on approved local marketing and promotion within Your Territory ("the Local Advertising ~~Fee~~Requirement") This is separate and in addition to the Marketing Fee Upon Our request, You must provide itemization and proof of marketing and an accounting of the monies that have been spent on approved local marketing If You fail to ~~make~~meet the ~~required expenditure~~Local Advertising Requirement, We have the right to collect the deficiency from You and contribute it to the Marketing Fund

~~You shall have the right to conduct such advertising and promotions in respect of the Franchised Business as You shall, in You reasonable discretion desire, provided that~~

Any advertising you conduct must comply with the following requirements

I. You shall advertise and promote only in a manner that will reflect favorably on Us, You, the System, the products, and the good name, goodwill and reputation thereof,

II. You shall submit to Us for Our approval, which approval shall not be unreasonably withheld or unduly delayed, all advertising and promotions to be utilized by You and until such time as We shall give its prior written approval to the use of such advertising and promotions, You shall not utilize the same in any advertising or promotion,

III. You shall prominently display, at You expense, in and upon the Premises, signs of such nature, form, color, number, location and size and containing such matter as We may direct or approve in writing from time-to-time and such signs shall be purchased from ~~Us or, at its option,~~ from suppliers approved by Us ~~which may include Our affiliates~~, and

~~III~~

IV You hereby acknowledge that We are the sole and exclusive owner of all copyrights and any and all advertising and promotional material prepared by or on Our behalf, including any such materials developed by You, and shall at all times remain Our sole and exclusive property

C. Grand Opening Advertising

You must conduct certain advertising and public relations activities in connection with the opening of the Franchised Business We require You to spend, in addition to the required Local Advertising ~~Fee~~Requirement described above, a minimum of ~~two~~four thousand dollars ($~~2~~4,000) for such opening activities, which must be spent some time within 45 days prior to the opening of Your Franchised Business, unless otherwise approved by Us In addition, You must perform opening advertising and promotions as required by this paragraph every time that You (i) relocate the Franchised Business, or (ii) reopen the Franchised Business after having it closed for 30 days or more Upon Our request, You must provide to Us proof of these expenditures We have the right, but not the obligation, to collect and administer these funds on Your behalf

D Grand Opening Event

You must conduct a specific grand opening event for Your Business within seven (7) days of it being opened pursuant to the guidelines We establish, as prescribed in the Manual (the "Grand Opening Event") We require You to spend a minimum of two thousand dollars ($2,000) on the Grand Opening Event This amount is in addition to the Grand Opening Advertising You must conduct a Grand Opening Event required by this paragraph every time that You (i) relocate the Franchised Business or (ii) reopen the Franchised Business after having it closed for 30 days or more Upon Our request, You must provide to Us proof of these expenditures We have the right, but not the obligation, to collect and administer these funds on Your behalf

E. Advertising Cooperatives

We have the right to designate local or regional advertising markets and if designated, You must participate in and contribute to the cooperative advertising and marketing programs in Your designated advertising market If established, You must contribute a minimum of one percent (1%) of Gross Sales to the local cooperative, which satisfies the local marketing requirement described in subparagraph B If, however, the cooperative votes to spend a percentage greater than one percent (1%) per location, You must contribute such amount Each ~~Franchised~~ Business, including those operated by Us, Our parent company or affiliates within a designated local advertising area is a member of the local advertising cooperative and each ~~Franchised~~ Business has one vote on all matters requiring a vote Each advertising cooperative will be required to adopt governing bylaws that meet Our approval We will provide each advertising cooperative with a sample form of bylaws, containing certain terms and conditions that We require, although the bylaws ~~can not~~cannot modify the voting structure set forth in this paragraph You will be required to contribute to the cooperative the percentage as designated by a majority vote of the cooperative members We reserve the right to administer the advertising cooperatives' funds and require payment from its members via electronic funds transfer The contribution amount designated by the cooperative must be on a percentage of Gross Sales basis and per ~~Franchised~~ Business, and must be at least one percent (1%) The members of each cooperative- and their elected officers will be responsible for the administration of the advertising cooperative Each advertising cooperative must engage the services of a professional advertising agency or media buyer that meets with Our approval and has expertise in -the industry and in the particular market Further, You must obtain Our written approval of all promotional and advertising materials, creative execution and media schedules prior to their implementation Each advertising cooperative will be required to prepare annual financial statements, which must be made available to all members of the cooperative and to Us upon request Also, each advertising cooperative must submit to Us its meeting minutes upon request We have the right to require advertising cooperatives to be formed, changed, dissolved or merged, at any time and for any reason Any contributions by You to any advertising cooperative will be separate from and in addition to the Marketing Fee and Local Advertising ~~Fee~~Requirement, unless otherwise approved by Us in writing

11 TRADEMARK LICENSING AND OTHER INTELLECTUAL PROPERTY

A. Trademark Ownership

Neither this Agreement nor the operation of the Franchised Business shall in any way give or be deemed to give to You any interest in the Trademarks except for the -right to use the Trademarks solely at and on the Premises and in accordance with the terms and conditions of this Agreement, during the term of this Agreement You shall- not use the Trademarks in any manner calculated to represent that it is the owner of the Trademarks Neither during the term of this Agreement nor at any time after a Transfer, or the expiration or termination hereof, shall You, either directly or indirectly, dispute or contest the validity or enforceability of the Trademarks, attempt any registration -thereof,

or attempt to dilute the value of any goodwill attaching to the Trademarks Any goodwill associated with the Trademarks shall ensure exclusively to Our benefit

Without in any way restricting or limiting the terms above, You covenant and agree as follows

I. that upon any request by Us, You will execute such applications or agreements or such other instruments in such form and with such parties, as We in Our sole discretion shall specify, protecting Our interests and rights in such Trademarks, or complying with any applicable trade name, trademark or other similar legislation,

II. that You will not use either the Trademarks or any variations thereof as any part of Your corporate, firm or business name or for any other purposes, save and except in accordance with the terms and conditions of this Agreement or as may otherwise be specifically authorized by Us in writing, and

III. forthwith upon a Transfer, or the expiration or termination for any reason whatsoever of this Agreement, You shall cease all use of the Trademarks (including any colorable imitations thereof) for any purposes whatsoever and You shall not make known, either directly or indirectly, following such Transfer, expiration or termination, that You previously conducted business under the Trademarks

B. Notice of Independent Ownership and Operation and Identification of Franchised Business

You may use the Trademarks on various materials, such as business cards, stationery and checks, provided that You (i) accurately depict the Trademarks on the materials as We prescribe, (ii) include a statement on the materials indicating that the business is independently owned and operated by You, (iii) do not use the Trademarks in connection with any other trademarks, trade names or service marks unless We specifically approve in writing prior to such use, and (iv) make available to Us, upon Our request, a copy of any materials depicting the Trademarks You must post a prominent sign in the Franchised Business identifying You as a Franchisee in a format We deem reasonably acceptable, including an acknowledgment that You independently own and operate the Franchised Business and that the Trademark is owned by Us and Your use is under a license We have issued to You All of Your internal and external signs must comply at all times with Our guidelines, requirements and practices, as they are modified from time-to-time

C. Infringement of Trademarks

In the event of any claim of infringement, unfair competition or other challenge to Your right to use the Trademarks, or in the event You become aware of any use of or claims to the Trademarks by persons other than Us or its Franchisees, You shall promptly (but in no event more than five (5) days later) notify Us in writing You shall not communicate with anyone except Us and Our respective counsel in connection with any such infringement, challenge, or claim except pursuant to judicial process We shall

have the absolute right to determine whether to take any action in connection with any such infringement, challenge or claim, and the sole right to control exclusively any litigation or other proceeding arising out of any infringement, challenge or claim relating to the Trademarks You must sign all instruments and documents, render any assistance, and do any acts that Our attorneys deem necessary or advisable in order to protect and maintain Our interest in any litigation or proceeding related to the Trademarks or otherwise to protect and maintain Our interest in the Trademarks

D Additions and Substitutions of Trademarks

We have the absolute right to modify or discontinue the use of any of the Trademarks and/or use one of more additional or substitute names or marks, for reasons including, but not limited to, the rejection of any pending registration or revocation of any existing registration of any of the Trademarks, or the superior rights of senior users thereof You will immediately, upon written notice from Us and at Your sole expense, make all changes or modifications to the Trademarks as We specify

E. Copyright

You acknowledge that We own the worldwide copyright and other ownership rights -to the Manual, and all components of the System that are media subject to copyright (collectively, the "Copyright Materials") You acknowledge and agree that You may only make translations, copies or adaptations of or modifications to the Copyright Materials upon receiving Our prior written consent

You acknowledge that We will own the copyright and all other rights to translations, modifications or adaptations of or to the Copyright Materials approved from time-to-time You hereby assign to Us Your copyright and economic rights and waive any moral- rights and similar rights with respect to the copyright in the translated, modified or adapted Copyright Materials, and agree to execute any and all instruments and documents, render such assistance and do such acts and things as may, in the opinion of Our counsel, be necessary or advisable in furtherance of such assignment and waiver, and You will require the same assignment, waiver and covenant in Our favor by Your officers and employees and by any independent contractors or other third parties who translate, modify or adapt the Copyright Materials

If registration of the copyright of any of the Copyright Materials, or translations, modifications or adaptations of the Copyright Materials, is required by law or deemed advisable by Us, You agree to cooperate with and assist Us in obtaining the registration in Our name as applicable and will not register or attempt to register or assist or be involved in any way with the registration (either directly or indirectly) of the Copyright Materials, or translations, modifications or adaptation of the Copyright Materials, in the name of anyone other than Ours

You agree to use proper copyright and other proprietary notices in connection with all Copyright Materials or translations, modifications or adaptations of the Copyright Materials and conform to Our standards for protecting their rights

12 ACCOUNTING, RECORDS, REPORTS, AUDITS AND INSPECTIONS

A. Bookkeeping, Accounting and Records

You shall establish and continuously use an inventory, ordering, bookkeeping, accounting and record-keeping system conforming to the requirements prescribed from time-to-time by Us, including, without limitation, invoices, cash receipts, inventory records, purchase orders, payroll records, check stubs, bank deposit receipts, sales tax records and returns, cash disbursement journals and general ledgers together with such further and other equipment, records and documents as may from time-to-time be required by Us, and including computerized point-of-sale, inventory, ordering, bookkeeping and accounting systems established from time-to-time When, or in the event that, We require the establishment of, or specify changes to, the computerized point of sale, inventory, ordering, bookkeeping, accounting or record keeping systems for its franchisees, You agree to purchase or lease all necessary computer hardware and software, and to utilize such systems and pay all fees charged by Us or others, including Our affiliates, for the use and maintenance of such systems You and all personnel employed by You shall record, at the time of sale, in the presence of customers, all receipts from sales or other transactions, whether for cash or credit, on point-of-sale systems, cash registers or other equipment approved by Us

B. Reports and Financial Information

You shall furnish to Us such reports as We may require from time-to-time Without limiting the generality of the foregoing, You ~~shall~~must furnish to Us, in the form ~~from time to time~~ prescribed by Us and together with such detail and breakdown and copies of supporting records as We may from time-to-time require

I. by the 5th day of each month a report of the Gross Sales for the preceding calendar month, signed and verified by You,

II. within fifteen (15) days after the end of each calendar quarter, a balance sheet and profit and loss statement for the Franchised Business for such quarter, which must be prepared by an independent certified public accountant approved by Us, and signed and verified by You,

III. within sixty (60) days after the end of each fiscal year of the Franchised Business, financial statements for the Franchised Business, including a balance sheet, profit and loss statement, a change in cash position statement and a statement of retained earnings for such period, which statements shall be prepared by an independent certified public accountant approved by Us, and signed and verified by You, and

IV within thirty (30) days of filing, a true copy of all tax returns, schedules and reports filed by You for employer health tax, workers compensation, income, corporate or sales tax purposes

C. Inspection and Audit of Books and Records

We shall have the right, during normal business hours and without prior notice to You, to inspect or audit, or cause to be inspected or audited the financial books, records, bookkeeping and accounting records, documents or other materials in respect of the Franchised Business, including the right, without limitation, to have a person on the Premises to check, verify and tabulate Gross Sales, and/or to examine and make copies of all accounting and business records and procedures

In the event that any such audit or inspection shall disclose an understatement of Gross Sales, You shall pay to Us, within two (2) days after receipt by You of the inspection or audit report, the royalty and other sums due on account of such understatement Further, if such audit or inspection is made necessary by Your failure to furnish reports, financial statements or any other documentation as herein required, or if it is determined by any such audit or inspection that Your records and procedures were insufficient to permit a proper determination of Gross Sales for any year or part thereof to be made, or that Gross Sales for the period in question were understated by two percent (2%) or more of the Gross Sales actually received, or that You were not complying with each of the provisions this Section 12(c), You shall immediately take such steps as may be necessary to remedy such default in accordance with the recommendations of such auditor and You shall promptly pay to Us all costs incurred in connection with such audit or inspection, including, without limitation, charges of an accountant and the travel expenses, room, board and compensation of Our employees

If Your records and procedures were insufficient to permit a proper determination of Gross Sales, We shall have the right to deliver to You an estimate, made by Us, of Gross Sales for the period under consideration and You shall immediately pay to Us any amount shown thereby to be owing on account of the royalty fees and other sums due on account of any understatement Any such estimate shall be final and binding upon You

D Right to Inspect Franchised Business and Premises

We and/or Our representatives shall have the right at all times, without notice to the You, to inspect the Premises and the furnishings, equipment and fixtures thereon, the products, to take inventory of such products, and otherwise to examine the manner in which You are conducting an operating Your Franchised Business, in the event of any such inspection, You and Your staff shall cooperate fully

E. Right to Information

You hereby authorize Us to make inquiries of bankers, suppliers and other trade creditors as to their dealings with You in relation to the Franchised Business, to discuss the affairs, finances and accounts of the Franchised Business (and by its execution hereof You authorize and direct such bankers, suppliers and other trade creditors to discuss with Us the affairs, finances and accounts of the Franchised Business) and to obtain information and copies of invoices relating to sales or other dealings with all such persons and You in any way relating to the Franchised Business If requested, You agree to execute and deliver such directions and other documents as We may require in

order to permit such bankers, suppliers or other trade creditors to release or disclose any such information and documents to Us

13 ~~13~~ INSURANCE

You must purchase and maintain in full force and effect, at Your expense and from a company We accept, insurance that insures both You and Us, and any other persons or entities We designate by name The insurance policy or policies must be written in accordance with the standards and specifications (including minimum coverage amounts) set forth in writing by Us from time-to-time, and, at a minimum, must include the following (except as different coverages and policy limits may be specified for all franchisees from time-to-time in writing) (i) "special" causes of loss coverage forms (sometimes called "All Risk Coverage" or "All Peril Coverage") on the Franchised Business, Franchised Business improvements and all furniture, fixtures, equipment, supplies and other property used in the operation of the Franchised Business, for full repair and replacement value, except that an appropriate deductible clause is permitted,

~~(ii)~~ (ii) business interruption insurance covering a minimum of 12 months loss of income, including coverage for Our Royalty Fees (for example, in the event of a fire or destruction of the Premises, the insurance must cover Our average royalty payments (based on the previous 12- month timeframe, or if a shorter timeframe, the total operating timeframe for the Franchised Business) during the rebuilding process), (iii) comprehensive general liability insurance including product liability insurance and contractual liability insurance, (iv) workers' compensation insurance covering all of Your employees, (v) motor vehicle insurance, (vi) umbrella liability insurance which also includes employers liability, (vii) "Per Location" aggregate limits when multiple franchise locations are insured under one comprehensive general liability and umbrella liability policy(~~cies~~ies), (viii) Us and Our affiliates named as an additional insured on all liability policies required by this subparagraph, (ix) severability of interests and/or separation of insured's provisions must be included in the liability policies and all policies must be primary and non-contributing with any insurance policy carried by Us or Our affiliates, and (x) any other such insurance coverages or amounts as required by law or other agreement related to the Franchised Business

The insurance coverages referenced in (iii), (iv), (v), (vi), (vii), (viii) and (ix) must commence as of the date You sign this Agreement The insurance coverages referenced in (i) and (ii) of this subparagraph must commence as of the date construction begins at the Franchised Business You must deliver to Us at commencement and annually or at Our request a proper certificate evidencing the existence of such insurance coverage and Your compliance with the provisions of this subparagraph The insurance certificate must show Our status as an additional insured and provide that We will be given 30 days' prior written notice of a material change in or termination or cancellation of the policy We also may request copies of all policies We may from time-to-time modify the required minimum limits and require additional insurance coverages, by providing written notice to You, as conditions require, to reflect changes in relevant circumstances, industry standards, experiences in the System, standards of liability and higher damage awards If You do not procure and maintain the required insurance coverage required by this Agreement, We have the right, but not the

obligation, to procure insurance coverage and to charge the costs to You, together with a reasonable fee for the expenses We incur in doing so You must pay these amounts- to Us immediately upon written notice

14 ~~14~~ RESTRICTIVE COVENANTS AND TRADE SECRETS

A. Competition During Term of Agreement

You and the Guarantor (in consideration of Us entering into this Agreement), jointly and severally, covenant and agree that, beginning on the Effective Date, and during the Initial Term and any renewal period thereof, each of You, any stockholder of Yours if the You are a corporation, any member if You are a limited liability company, any partner of Yours if You are a partnership, the Guarantor, and any of their respective spouses and children, shall not either individually or in partnership or jointly or in conjunction with any person, firm, association, syndicate or corporation, as principal, agent, stockholder or in any manner whatsoever, carry on or be engaged in or be concerned with or interested -in or advise, lend money to, guaranty the debts or obligations of or permit their names- or any part thereof to be used or employed in any business operating or franchising a business similar to the Franchised Business of any kind (a "Competing Business")

B. Competition After Transfer, Expiration or Termination

In the event of a Transfer, or the expiration or termination of this Agreement for any reason whatsoever, You and the Guarantor (in consideration of Us entering into this agreement) jointly and severally covenant and agree that each of You, any stockholder of Yours if You are a corporation, any member if You are a limited liability company, any partner of Yours if You are a partnership, the Guarantor, and any of their ~~respective spouses and children, shall not, at any time during the period of one (1) years from the date of such Transfer, expiration or termination, either individually or in partnership or jointly or in conjunction with any person or persons, firm, association, syndicate, company or syndication as principal, agent,~~ stockholder or in any other manner whatsoever carry on, be engaged in or be concerned with or interested in or advise, -lend money to, guaranty the debts or obligations of or permit its name or any part thereof to be used or employed in any Competing Business, or franchising Competing Businesses, at the Franchised Business, within ~~the~~Your Territory, or within thirty (30) miles -of the perimeter of ~~the~~Your Territory or a Business operated by Us, Our affiliate, or another franchisee of Ours This 1-year period shall be tolled during any period of noncompliance and extend thereafter

C. Non-Solicitations Covenants

You covenant that You will not, for a period of one (1) year after the expiration, non- renewal or termination of this Agreement, regardless of the cause of termination, or within one (1) year of the sale of the Franchised Business or any interest in You, solicit business from customers of Your former Franchised Business or from any National Accounts, or contact any of Our suppliers or vendors for any competitive business purpose, or solicit any of its former Franchised Business employees, or the employees of any franchised business operated by another franchisee, Us or Our affiliates to discontinue employment

~~15~~

15 TRANSFER

A. Transfer by the Franchisee

The franchise granted under this Agreement is personal to You During the Term, You shall not sell, assign, transfer or otherwise dispose of (collectively "Transfer") or mortgage, charge, grant a security interest in or otherwise encumber (collectively "Encumber") all or any of Your interest hereunder or in any assets of the franchise, including the lease for the Premises, nor shall any of the Principals Transfer (except to another Principal) or Encumber any of their interests in the franchise or You, nor shall You issue any further shares in Your capital (except to the Principals) or admit new partners, nor shall You amalgamate, merge, reorganize or engage in any similar proceedings, without in each case obtaining Our prior written consent, which consent shall not be unreasonably withheld Any proposed Transfer by You shall be initiated by You providing Us with not less than sixty (60) days notice prior to the proposed Transfer date of Your intention to Transfer this Agreement Any actual or purported Transfer or Encumbering (including whether by operation of law or otherwise) without Our prior written consent shall constitute a breach of this Agreement and shall be null and void You agree to initiate the Transfer process by advising Us of the intent to Transfer Your Franchised Business by sale or otherwise and requesting procedural/administrative instructions In considering a request for a Transfer, We shall consider, among other things, the qualifications, apparent ability and credit standing of the proposed transferee

B. Conditions of Transfer

In considering the request for a Transfer, We may consider, among other things, the information set out in Your application, the qualifications, good character, requisite general business experience, apparent ability to operate the Franchised Business and credit standing of the proposed transferee, and its partners, managers, principal stockholders, directors and officers, as appropriate In addition, We shall be entitled to require as a condition precedent to the granting of its consent that

I. the proposed assignee or an affiliate of the proposed assignee is not a competitor of Ours,

II. We are provided with a copy of the agreement of purchase and sale between You and the proposed assignee and all documents referred to therein as relied upon by the parties If any financial statements are included, We shall be entitled but not obligated to question any figures relating to matters in respect of which You are required to report to Us under this Agreement,

III. as of the date of Your request for consent and as of the effective date of Transfer there shall be no default in the performance or observance of any of Your obligations under this agreement or any other agreement between You and Us or any affiliate or supplier thereof, and if You intend to transfer Your rights of possession of the Premises, that You have obtained the consent of all necessary

III. parties to the assignment of any licenses, and the lease or sublease, to the proposed transferee,

IV You shall have settled all outstanding accounts with Us, Our affiliates and all other trade creditors of the Franchised Business up to the date closing of the proposed Transfer,

V You shall have delivered to Us a complete release of Us, its directors and officers, their affiliates and the directors and officers thereof, from all obligations under this Agreement of any such persons, in a form satisfactory to Us,

VI. the proposed transferee shall have entered into a written assignment in a form prescribed by Us or, at Our option, shall have executed a new Franchise Agreement in the form then being used by Us, which may provide for a higher royalty and for greater expenditures for advertising and promotion than are provided hereunder, and shall have executed such other documents and agreements as are then customarily used by Us in the granting of franchises,

VII. the proposed transferee providing guaranties from anyone whom We may request, guaranteeing the proposed transferee's performance of its obligations under the agreements to be entered into,

VIII. the proposed transferee completing, to Our satisfaction, such training in the operations of the Franchised Business, at the proposed transferee's or Your sole expense, as We may require,

IX. the proposed transferee providing, to Our satisfaction, a business plan indicating that the proposed transferee possesses the required level of business experience and acumen necessary to successfully operate the Franchised Business,

X. the purchase price to be paid to You by the proposed transferee, or if applicable, the proposed encumbrance and debt associated therewith is reasonable in the circumstances having regard to the debt and interest charges being acquired or already in existence,

XI. You paying to Us, any fees and/or expenses which may be incurred by Us in dealing with Your said application for approval, in addition to Our then-existing Transfer fee, which Transfer fee shall not exceed fifty percent (50%) of Our then--existing initial franchise fee charged to new Franchisees, and

XII. You and the proposed transferee agree to perform all maintenance and upgrades required to bring the Franchised Business up to Our then-current standards for a Franchised Business, including upgrading any computer hardware and software as We may require

Our refusal to consent to the proposed Transfer based upon the non-compliance with any of the foregoing conditions shall not be deemed to be an unreasonable withholding of such consent Our consent to a Transfer shall not operate to release You from any liability under this Agreement

C. Right of First Refusal

Without in any way derogating from Our right to reject a proposed Transfer in accordance with this Agreement, if at any time or times during the Initial Term, or any renewal of this Agreement, You obtain a bona fide offer (the "Offer") to acquire the whole or any part of Your interest in the Franchised Business, which You wish to accept, You shall promptly give written notice thereof to Us together with a true copy of the Offer Upon receipt of such notice and Offer, We shall have the option of purchasing the property forming the subject matter thereof upon the same terms and conditions as those set out in the Offer except that

I there shall be deducted from the purchase price the amount of any commissions, fee or transfer fee that would otherwise have been payable to Us, any broker, agent or other intermediary in connection with the Transfer, and

II We shall have the right to substitute cash for any other form of consideration specified in the Offer and to pay in full the entire purchase price at the time of closing

We may exercise Our option at any time within thirty (30) days after receipt of the said notice by giving written notice to You If We decline to exercise such option and if such Transfer is approved by Us in accordance with this Agreement, You shall be at liberty to complete the Transfer to such third party transferee in accordance with the Offer, provided that, notwithstanding the terms of the Offer, such transaction must be completed within thirty (30) days of the date on which We notify You of its approval of such transaction If the transaction is not completed within thirty (30) days, the foregoing provisions of this right of first refusal shall apply again in respect of the proposed Transfer and so on from time-to-time

D Transfer or Assignment by the Franchisor

We shall have the right to transfer this Agreement to any person or legal entity without prior notice to, or consent from You Specifically, and without limitation of the foregoing, You agree that We may sell Our assets, Our interest in the Trademarks or the System to a third party, may offer Our securities privately or publicly, may merge, acquire other entities or be acquired by another entity directly or indirectly, may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring, and with regard to any or all of the above sales, assignments and dispositions, You expressly and specifically waive any claims, demands, or damages against Us arising from or related to the transfer Nothing contained in this Agreement shall require Us to continue any business operating under the System or to offer any services or products, whether or not bearing the Trademarks, to You if We assign Our rights in this Agreement in accordance with the provisions of this subparagraph In the

_event of a transfer or assignment of this Agreement by Us, We shall be freed and relieved of any and all liability under this Agreement

16 _DEATH OR INCAPACITATION

A. Incapacitation

For the purposes of this article, You or any controlling shareholder(s) or partner(s)- as the case may be shall be deemed to have a "permanent disability" if Your usual participation, or that of any controlling shareholder(s) or partner(s), as the case may be, in the Franchised Business is for any reason curtailed for a cumulative period of one hundred and eighty (180) days in any twelve (12) month period during the term of this agreement, including renewals

B. Options for Franchisor on Death or Incapacitation of Franchisee

Upon the death or permanent disability of You or Your controlling shareholder or partner or partners as the case may be, if such person has at the date of such death or permanent disability a spouse or any adult children surviving, the following shall apply

I. if the surviving spouse and/or adult child desire and are, in Our reasonable opinion, capable of carrying on the Franchised Business, the said spouse and/or adult child shall have the right to continue, to operate the Franchised Business provided that they shall directly covenant and agree with Us to be bound by the terms and conditions of this Agreement and any other agreements made between Us and You

II. if the surviving spouse and/or an adult child do not desire or are not, in Our reasonable opinion, capable of carrying on the Franchised Business, or cannot devote their full time and attention to the Franchised Business or if You do not -have a spouse or adult child surviving, We shall have the right, such right to be exercised by Us giving written notice to You or to Your estate within ninety (90) days of the date of Your death or death of the controlling shareholder(s) or partner(s) or the date upon which Your permanent disability arises or the permanent disability of the controlling shareholder(s) or partner(s) arises, to purchase all or any part of Your assets used in the operation of the Franchised Business for a purchase price equal to the "asset value" of Your assets less all proper business liabilities assumed by Us as at the date the said purchase is completed To satisfy the aforesaid purchase price, We shall pay the difference between the said "asset value" and the amount of the liabilities assumed by it, on the date of the completion of the purchase by way of cash or certified check

17 _TERMINATION

A. Events of Default and Right of Termination

You shall be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to You, if You become insolvent or

make a general assignment for the benefit of creditors, if a petition in bankruptcy is filed by You or such a petition is filed against You and not opposed by You, or if You are adjudicated bankrupt or insolvent, or if a receiver or other custodian (permanent or temporary) of Your assets or property, or any part thereof, is appointed by any court of competent jurisdiction, or if proceedings for a composition with creditors under the applicable law of any jurisdiction should be instituted by or against You, or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless steps are taken to stay effectively the enforcement of such judgment in the relevant jurisdiction), or if You are dissolved, or if execution is levied against Your property or business, or if suit to foreclose any lien or mortgage against the Premises or equipment of any Franchised Business developed hereunder is instituted against You and not dismissed within thirty (30) days, or if the real or personal property of any Franchised Business developed hereunder shall be sold after levy thereupon by any sheriff, marshal, constable or equivalent governmental authority

You shall be deemed to be in default and We may, at Our option, terminate this Agreement and all rights granted hereunder without affording You any opportunity to cure the default (effective immediately upon receipt of written notice by You), upon the occurrence of any of the following events

I. if You fail to complete construction of the Franchised Business and to open for business within nine (9) months of execution of this Agreement We may, but are not required to, extend this period to address unforeseen construction delays, not within Your control,

II. if You at any time cease to operate the Franchised Business or otherwise abandon the Franchised Business, or lose the right to possession of the Premises of the Franchised Business, or otherwise forfeit the right to do or transact business in the jurisdiction where the Franchised Business is located Provided, however, that if, through no fault of Yours, the Premises are damaged or destroyed by an event not within Your control such that repairs or reconstruction cannot be completed within one hundred eighty (180) days thereafter, then You shall have thirty (30) days after such event in which to apply for Our approval to relocate and/or reconstruct the Premises, which approval shall not be unreasonably withheld, but may be conditioned upon the payment of an agreed minimum royalty to Us during the period in which the Franchised Business is not in operation,

III. if You are convicted of a felony involving moral turpitude, or any other crime that We believe is reasonably likely to have an adverse effect on the System, the Trademarks, the goodwill associated therewith, or Our interest therein,

~~IV~~—if a threat or danger to public health or safety results from the construction, maintenance, or operation of the Franchised Business or from the material violation of any health and safety laws, rules, or regulations which poses a significant public health and safety concern, or if the Franchised Business is closed as a result of a failed inspection by the health department and in such event We

IV determine, in Our sole discretion, that critical violations of applicable health codes are the result of repeated or material failure by You to comply with the requirements of this Agreement or the health department Notwithstanding anything in this Agreement to the contrary, We shall have the right, in lieu of exercising any right of termination, to require that the Franchised Business be closed to the public and/or remain closed until the applicable food, health, or safety matters are cured,

V if You, or any partner, shareholder, or member of Yours purports to transfer any rights or obligations under this Agreement or any interest in You to any third party without Our prior written consent required by the transfer provisions of this Agreement,

VI if You fail to comply with the in-term non-competition covenants in this Agreement or fail to obtain execution of the covenants required from Your owners,

VII if, contrary to the terms of this Agreement, You disclose or divulge the contents of the Manual or any other confidential information provided to You by the Franchisor,

VIII if an approved transfer is not effected as required by this Agreement, following the death or mental incapacity of person as described therein,

IX if You knowingly maintain false books or records, or submit any false reports to Us,

X if You or any individual, group, association, limited or general partnership, corporation or other business entity which directly or indirectly controls, is controlled by, or is under common control with You, or which directly or indirectly owns, controls, or holds power to vote ten percent (10%) or more of Your outstanding voting securities, or which has in common with You one or more partners, officers, directors, trustees, branch managers, or other persons occupying similar status or performing similar functions ("Affiliate") commits any act of default under any other Franchise Agreement, asset purchase agreement, promissory note, or any other agreement entered into by You or Your Affiliate, and Us or Our affiliate or Our predecessor or successor,

XI if You, after or during a default, ~~commits~~commit the same default again, whether or not such default is cured after notice,

XII if You default more than once in any twelve (12) month period, whether or not cured after notice,

XIII if You refuse to permit Us or Our agents to enter upon the Premises of the Franchised Business to conduct any periodic inspection as permitted by this Agreement,

XIV if You use any of the Trademarks in any unauthorized manner and are otherwise in default of the provisions of this Agreement

Except as outlined above, upon any default by You which is capable of being cured, We may terminate this Agreement only by giving written Notice of Termination stating the nature of such default to You at least ten (10) days prior to the effective date of termination if the default is for failure to pay royalties, Advertising Fund Contributions (including Cooperative contributions, if any are due and/or any other financial obligations owed to Us by You), and thirty (30) days, prior to the effective date of termination for any other default, provided, however, that You may avoid termination by curing such default to Our satisfaction within the ten (10) day or thirty (30) day period, -as applicable If any such default is not cured within the specified time, this Agreement shall terminate without further notice to You effective immediately upon the expiration of the ten (10) day or thirty (30) day period, as applicable, or such longer period as applicable law may require

B. Franchisee Obligations on Termination

Upon the expiration or termination of this Agreement for any reason whatsoever, the following shall apply

I. You shall immediately upon Our request (so that We may protect the Trademarks and Our other franchisees), permit Us or Our representatives to enter the Premises and, at Our option, to cure any default by You, to operate the Franchised Business for Our account, or to secure Your complete and timely compliance with the other post-termination obligations set forth in this Agreement,

II. You shall pay to Us, within seven (7) days after the effective date of termination or expiration, (a) all royalties, advertising fees and other charges then due and unpaid by You including, but not limited to Our costs and expenses in re-entering the Premises and in completing the acts specified in this Agreement, You recognize and agree that the early termination of this Agreement will not relieve you from the obligation to pay us for the loss of future royalty fees that we would have received, had the Agreement not been terminated early,

III. You shall immediately discontinue the operation of the Franchised Business, use- of the System and the use of the Trademarks and other proprietary rights licensed under this Agreement, and similar names and marks, or any other designations or marks associating You with Us or the System You shall cease displaying and using all signs, stationery, letterhead, packaging, forms, containers, Manuals, bulletins, instruction sheets, printed matter, advertising and other physical objects used from time-to-time in connection with the System or containing or bearing any of the Trademarks or other names, marks or designations, and shall not thereafter operate or do business under any name or in any manner or that might tend to give the general public the impression that You are associated with Us or the System or that You are operating a business similar to a Franchised Business or that You previously conducted Your business under the Trademarks,

IV if You retain possession of the Premises, You shall promptly and, at Your expense, make such modifications to the interior and/or exterior decor of the Premises as We shall require to remove all identification as a Franchised Business,

V You shall promptly execute such documents or take such actions as may be necessary to abandon Your use of any assumed name containing any of the Trademarks adopted by You and to remove (in respect of the next publication), at Our request, Your listing as Franchised Business from the yellow pages, all other telephone directories and all other trade or business directories and to assign to Us or any other party We designate all of Your telephone numbers and listings in connection with the Franchised Business, and

VI within three (3) days after the effective date of expiration or termination, You shall return to Us all items making up the Manual, all other confidential material provided to You by Us and all other materials required to be returned in accordance with this Agreement or the Manual

C. Franchisor's Right to Repurchase

Upon the expiration or termination of this Agreement for any reason whatsoever, save and except in the event of a purchase, We shall have the right, but not the obligation, such right to be exercised by notice in writing delivered to You within thirty

(30) days of the date of expiration or termination of this Agreement for any reason whatsoever, to purchase from You all or any portion of the inventory located on the Premises or otherwise held by You for the purposes of sale or distribution at the Premises, and/or all or any part of the fixtures, equipment, furniture or other assets located on, in or at the Premises or otherwise used in connection with the Franchised Business

D Our Step-In Rights

The parties want to prevent any operation or interruption of the Franchise that would cause harm to the Franchise and to Our franchise system and lessen their value Therefore, You authorize Us to step in to operate the Franchise for as long as We believe necessary and practical in Our exclusive judgment We may do so without waiving any other rights or remedies that We may have Cause for stepping-in may include Our reasonable determination that You are incapable of operating the Franchise, You are absent or incapacitated because of illness or death, You have failed to pay when due any real property, equipment rent or lease payments, suppliers, or inventory payments, You have failed to pay to us when due any franchise, royalty, advertising, or other fee, You have failed to pay when due any taxes or assessments against the Franchise or property used in the Franchise, You have failed to pay when due any liens or encumbrances placed upon or against Your business property, Your business activities are having a negative impact upon the value of Our franchise system or We decide that significant operational problems require Us to operate the Franchise for a time Thirty days after exercising Our step-in rights, We will re-evaluate Your then--current status --At Our discretion, We will either operate the store for an additional —30-

day period or turn the store back over to You In turning the store back over to You, we do not waive Our rights to step back in the future

All Revenue from Our operation of the Franchise will be for Your exclusive account We will pay from that Revenue all expenses, debts and liabilities We incur during Our operation of the Franchise -This will include Our personnel and administrative and -travel costs, plus fifteen percent (15%) of that Revenue to cover Our overhead expenses -In addition, We will have the option, but not the obligation, to pay for You any claims owed by You to any creditor or employee of the Franchise You will reimburse Us upon demand, including at the rate set forth above for overdue amounts

We will keep in a separate account all Revenue generated by the operation of the Franchise, less the expenses of operation

We will have no obligation to retain any employee of Yours, nor to honor any contractual employment commitments You previously made If We elect to retain any employee, employment will be pursuant to a new employment agreement between Us and the employee Employment will commence on the first business day on which We carry on business through the Franchise Any claim by an employee for unpaid salary, vacation pay, or other benefits will be Your responsibility

Upon Our exercise of these Step-In Rights, You agree to hold Us harmless for all acts, omissions, damages, or liabilities arising during Our operation of the franchise

Our operation of the Franchise will not operate as an assignment to Us of any lease or sublease of franchise property -We will have no responsibility for payment of any rent- or other charges owing on any lease for franchise property, except as the charges relate to the period of Our operation of the Franchise

You agree to pay Our reasonable legal and accounting fees and costs We incur because of Our exercise of these Step-In Rights

E. Additional Remedies

You expressly consent and agree that, in addition to any other remedies We may have, at law or under this Agreement, nothing herein shall bar Our right to obtain injunctive relief against threatened conduct that will cause it loss or harm, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions

F Survival of Covenants

Notwithstanding the expiration or termination of this Agreement for any reason whatsoever, all covenants and agreements to be performed and/or observed by You and/or the Guarantor under this Agreement or which by their nature survive the expiration or termination of this Agreement hereof shall survive any such expiration or termination

18 DISPUTE RESOLUTION AND LITIGATION

A. Mediation

Before any party may bring an action in court or against the other, or commence an arbitration proceeding (except as noted below), the parties must first, within thirty (30) days of the notifying party's notice to the other party meet to mediate the dispute The mediation will be held in the city where Our headquarters are located at the time of the mediation Any such mediation will be non-binding and conducted by the American Arbitration Association in accordance with its then-current rules for mediation of commercial disputes

Notwithstanding the foregoing, the parties agree that the following claims will not be subject to mediation (i) Any action for declaratory or equitable relief, including, without limitation, seeking preliminary or permanent injunctive relief, specific performance, other relief in the nature of equity to enjoin any harm or threat of harm to such party's tangible or intangible property, brought at any time, including, without limitation, prior to or during the pendency of any mediation or arbitration proceedings initiated hereunder, and (ii) Any action in ejectment or for possession of any interest in real or personal property

B. Arbitration

Except as qualified below, any dispute between You and Us or any of our respective affiliates arising under, out of, in connection with or in relation to this Agreement, the parties' relationship, or the Location of Your Franchised Business must be submitted to binding arbitration ~~under the authority of the Federal Arbitration Act and must be determined by arbitration~~ administered by the American Arbitration Association pursuant to its then-current commercial arbitration rules and procedures The parties acknowledge that this Agreement evidences a transaction involving interstate commerce, and that any arbitration conducted under this Agreement will be governed by the Federal Arbitration Act (9 U S C , Secs 1-16) The parties intend and agree that any state laws attempting to prohibit arbitration or void out-of-state forums for arbitration are preempted by the Federal Arbitration Act, and that arbitration must be conducted as provided in this Section

Any arbitration must be on an individual basis and the parties and the arbitrator will have no authority or power to proceed with any claim as a class action or otherwise to join or consolidate any claim with any other claim or any other proceeding involving third parties In the event a court determines that this limitation on joinder of or class action certification of claims is unenforceable, then this entire commitment to arbitrate will become null and void and the parties must submit all claims to the jurisdiction of the courts

The arbitration must take place in the county in which our headquarters are located (presently, Los Angeles County, California) The arbitrator must follow the law and not disregard the terms of this Agreement The arbitrator must have at least five (5) years of significant experience in franchise law A judgment may be entered upon the arbitration award by any state or federal court in the State of California or the state where Your Franchised Business is located The decision of the arbitrator will be final and binding on all parties to the dispute, however, the arbitrator may not under any circumstances

(i) stay the effectiveness of any pending termination of this Agreement, (ii) assess punitive or exemplary damages, or (iii) make any award which extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance that We set

Notwithstanding the foregoing, the parties agree that the following claims will not be subject to arbitration (i) Any action for declaratory or equitable relief, including, without limitation, seeking preliminary or permanent injunctive relief, specific performance, other relief in the nature of equity to enjoin any harm or threat of harm to such party's tangible or intangible property, brought at any time,

including, without limitation, prior to or during the pendency of any arbitration proceedings initiated hereunder, and (ii) Any action in ejectment or for possession of any interest in real or personal property

~~or intangible property, brought at any time, including, without limitation, prior to or during the pendency of any arbitration proceedings initiated hereunder, and (ii) Any action in ejectment or for possession of any interest in real or personal property~~

C Injunctive Relief

You acknowledge that a breach of this Agreement by You, which relates to any of the matters set out below, will cause us irreparable harm for which monetary damages are an inadequate remedy Therefore, in addition to any other remedies We have under this Agreement, We are entitled to seek and obtain the entry of temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement with respect to (i) the Trademarks, (ii) the System, (iii) our intellectual property, (iv) Your obligations upon termination or expiration of this Agreement, (v) Transfers, (vi) Trade Secrets, (vii) covenants not to compete with us, and (viii) any act or omission by You or Your employees that (a) constitutes a violation of any applicable law, (b) is dishonest or misleading to customers of Your Franchised Business or other System Businesses, (c) constitutes a danger to Your employees or to the public, or (d) may impair the goodwill associated with the Trademarks or the System The parties agree that such requests may be heard by the arbitrators or by a court, at the election of the party seeking the same Neither party will be required to first mediate any claim for injunctive relief To the extent that both You and We seek emergency relief, You and We agree that the venue chosen by the first party to file will be the proper venue to hear and decide all such requests for emergency relief Should a party elect to have its request heard by arbitrators, all such requests shall be heard in accordance with the then-current AAA Commercial Arbitration Rules Neither

party is required to post a bond or other security with respect to obtaining injunctive relief If We secure any such injunction, You agree to pay to us an amount equal to the aggregate of Our costs and expenses, including without limitation reasonable attorney fees, costs, and expenses, that We incur in obtaining such relief

D Waiver of Right to Jury Trial

Each party hereby irrevocably waives its rights to trial by jury regarding any dispute or proceeding arising out of this agreement or the transactions relating to its subject matter

Your Initials _____ Our Initials _____

E. Waiver of Claim for Punitive Damages

To the extent permitted by applicable law, neither of the parties may assert, and each party waives, any claim against the other party (including their respective affiliates, partners, stockholders, members, officers, directors, agents, employees and controlling persons), on any theory of liability for special, indirect, consequential, or punitive damages (as opposed to direct or actual damages) for any dispute The parties further agree that in the event of a dispute, each of the parties will be limited to the recovery of any (a) actual damages sustained by it, and (b) statutory trademark law treble damages If such claims for punitive damages cannot be waived by law, then the parties agree that any recovery will not exceed two (2) times actual damages

Your Initials _____ Our Initials _____

F Legal Fees and Expenses

If either party initiates a judicial or other proceeding, the prevailing party in such proceeding will be entitled to reimbursement of its costs and expenses, including reasonable attorney fees "Costs and expenses"

mean all reasonable pre-award expenses of the arbitration, including arbitrators fees, administrative fees, travel expenses, out-of-pocket expenses such as copying and telephone, expert witness fees, costs of investigation and proof of facts, court costs, other arbitration or litigation expenses, and attorney fees "Prevailing party" is the party which has obtained the greatest net award in terms of money or money equivalent If money or money equivalent has not been awarded, then the prevailing party will be that party which has prevailed on a majority of the material issues decided

~~C~~G **Governing Law**

~~This Agreement~~ Except for Article 14 (relating to Your covenants not to compete and to protect Our Trade Secrets), this Agreement and the relationship between the parties ~~will be~~is governed by and must be interpreted in accordance with the laws of the ~~State~~state of California~~. In the event of any conflict of law question, the laws of such state will prevail~~, without ~~regard~~reference to conflict of laws principles By agreeing to the application of ~~such state's conflict of law rules. This subparagraph is not intended to~~ California law, the parties do not intend to make this Agreement or their relationship subject ~~this Agreement to any~~ to any franchise, dealership, distributorship, business opportunity, or other statute, rule, or regulation of the state of California to which ~~would not by its own terms apply to~~ this Agreement or the parties' relationship would not otherwise be subject This Agreement may be deemed to be amended from time to time as may be necessary to bring any of its provisions into conformity with valid applicable laws or regulations Article 14 of this Agreement will be governed by the law of the state in which the Franchised Business is located

~~D~~H **Venue and Jurisdiction**

~~Any~~To the extent that a judicial action is expressly permitted by this Agreement, the parties agree that any such cause of action, claim, suit or demand allegedly arising from or related to the terms of this Agreement or the relationship of the parties ~~that is not subject to arbitration, must be brought in Los Angeles County, California Both parties hereto irrevocably submit themselves to, and consent to, the exclusive jurisdiction of any court within the State of California The provisions of this subparagraph will survive the termination of this Agreement You are aware of the business purposes and needs underlying the language of this subparagraph, and with a complete understanding thereof, agree to be bound in the manner set forth~~ must be brought in a court of competent jurisdiction in Los Angeles, California, or, if Our principal place of business is in a city other than Los Angeles, California, then the federal or state court for the jurisdiction in which We then have Our principal place of business Both parties irrevocably

submit themselves to, and consent to, the exclusive jurisdiction of said courts This Section 18 H will survive the termination of this Agreement **You acknowledge that You are aware of the business purposes and needs underlying the language of this Section 18 H**

19 GENERAL PROVISIONS

A. Indemnification of the Franchisor

You hereby agree, during and after the term of this Agreement to indemnify and hold Us and Our affiliates, directors, stockholders, officers, employees and agents harmless from any and all liabilities, losses, suits, claims, demands, costs, fines and actions of any kind or nature whatsoever to which You shall or may become liable for, or suffer by reason of any breach, violation or non-performance on Your part or on part of any of Your affiliates, agents, servants or employees of any term or condition of this Agreement and from all claims, damages, suits, costs or rights of any persons, firms or corporations arising from the operation of the Franchised Business This indemnification will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement

B. No Liability

We shall not be responsible or otherwise liable for any injury, loss, or damage resulting from, occasioned to or suffered by any person or persons or to any property because of any products sold or services provided to it by You

C. Independent Contractor

The parties hereto hereby acknowledge and agree, that, except as expressly provided in this Agreement, each is an independent contractor, that no party shall be considered to be the agent, representative, master or servant of any other party hereto for any purpose whatsoever, and that no party has any authority to enter into any contract, assume any obligations or to give any warranties or representations on behalf of any other party hereto ~~Nothing in this Agreement shall be construed to create a~~Nothing in this Agreement shall be construed to create a relationship of employment partners, joint employers, co-venturers, fiduciaries, or any other similar relationship among the parties All employees or independent contractors hired by or working for You will be Your employees or independent contractors alone and will not, for any purpose, be deemed Our employees or subject to Our control, most particularly with respect to any mandated or other insurance coverage, tax or contributions, payments, unemployment insurance, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency You and We will file Our own tax, regulatory and payroll reports, and be responsible for all employee benefits and workers compensation payments with respect to Our respective employees and operations, and We will save and indemnify one another of and from any liability of any nature whatsoever by virtue thereof Neither this Agreement nor Our course of conduct is intended, nor may anything in this Agreement (nor Our course of conduct) be construed, to state or imply that We are the employer of Your employees and/or independent contractors, nor vice versa You agree to inform each of Your employees and contractors that You alone are their employer, and that We are not You agree to explain to Your employees and contractors the respective roles of a franchisor and franchisee and Our relationship with You, and You will request that Your employees and contractors sign any acknowledgement or disclosure We reasonably require explaining the differences between us (your franchisor) and You (their employer or contractor)

~~relationship of employment partners, joint venturers, fiduciaries, or any other similar relationship among the parties~~

D Joint and Several

If two or more individuals, corporations, partnerships or other entities (or any combination of two or more thereof) shall sign or be subject to the terms and conditions of this Agreement as the Franchisee or as a Guarantor, the liability of each of them under this Agreement shall be deemed to be joint and several

E. Severability

If for any reason whatsoever, any term or condition of this Agreement or the application thereof to any party or circumstance shall, to any extent be invalid or unenforceable, all other terms and conditions of this Agreement and/or the application of such terms and conditions to parties or circumstances, other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term and condition of this Agreement shall be separately valid and enforceable to the fullest extent permitted by law

F No Set Off by Franchisee

You agree that You will not, on grounds of the alleged non-performance by Us of Our obligations hereunder, withhold payment of any royalty or other amounts due to Us or Our affiliates, whether on account of goods purchased by You or otherwise

G Notices

All notices, consents, approvals, statements, authorizations, documents, or other communications (collectively "notices") required or permitted to be given hereunder shall be in writing, and shall be delivered personally, by facsimile, or mailed by a reputable overnight service, to the said parties at their respective addresses set forth hereunder, namely

To Franchisor ("Us") at The COOP Franchise Group, LLC
ATTN Legal
11118 Ventura Boulevard
Studio City, CA 91604

To Franchisee ("You") at _____the Premises

To the Guarantor at the Premises

or at any such other address or addresses as may be given by any of them to the other in writing from time to time Such notices, if mailed, shall be deemed to have been given on the second business day (except Saturdays and Sundays) following such mailing, or, if delivered by facsimile or personally, shall be deemed to have been given on the day of delivery, if a business day, or if not a business day, on the business day next following the day of delivery, provided that if such notice shall have been mailed and if regular mail service shall be interrupted by strike or other irregularity before the deemed

receipt of such Notice as aforesaid, then such Notice shall not be effective unless personally delivered

H. Headings, Article Numbers

The headings, article numbers and table of contents appearing in this Agreement or any schedule hereto are inserted for convenience of reference only and shall not in any way affect the construction or interpretation of this Agreement

I. Time of the Essence

Time shall be of the essence of this Agreement and of each and every part hereof

J Waiver of Obligations

We may by written instrument unilaterally waive any obligation of or restriction upon You under this Agreement No acceptance by Us of any payment by You and no failure, refusal or neglect of Ours to exercise any right under this Agreement or to insist upon full compliance by You with Your obligations hereunder, including without limitation, any mandatory specification, standard or operating procedure, shall constitute a waiver of any provision of this Agreement

K. Franchisee and Guarantor Defined, Use of Pronoun

The words "You," Your," "Franchisee" and "Guarantor" whenever used in this Agreement shall be deemed and taken to mean each and every person or party mentioned as a Franchisee or Guarantor to this Agreement, be the same one or more, and if there shall be more than one Franchisee or Guarantor, any notice, consent, approval, statement, authorization, document or other communication required or permitted to be given by the terms or conditions of this Agreement may be given by or -to any one thereof, and shall have the same force and effect as if given by or to all thereof The use of the neuter or male or female pronoun to refer to the Franchisee and/or the Guarantor may be an individual (male or female), a partnership, a –corporation or another entity or a group of two or more individuals, partnerships, corporations or other entities The necessary grammatical changes required to make- the provisions of this Agreement apply in the plural sense, where there is more than one Franchisee or Guarantor and to either individuals (male or female) partnerships, corporations or other entities, shall in all instances be assumed in each case The words "hereof", "herein", "hereunder" and similar expressions used in any paragraph or subparagraph of this Agreement relate to the whole of this Agreement (including any Schedules attached hereto) and not to that paragraph or subparagraph only, unless otherwise expressly provided for or the context clearly indicates to the contrary

L. Cross-Default

In the event that You directly or indirectly acquire the right and franchise to operate another or Franchised Business, any default by You in the performance or observance of any of the terms and conditions under any one agreement governing the aforesaid right and franchise shall be deemed to be an event of default under all other -agreements pursuant to which You directly or indirectly own or operate such a Franchised Business or Businesses

~~Sett~~

M. Set Off by the Franchisor

Notwithstanding anything contained in this Agreement, upon Your failure to pay to Us as and when due, any amounts of money provided for herein, We shall have the right at Our election, to deduct any and all such amounts remaining unpaid from any monies or credits held by Us for Your account

N Further Assurances

Each of the parties hereto hereby covenants and agrees to execute and deliver such further and other agreements, assurances, undertakings, acknowledgements or documents, cause such meetings to be held, resolutions passed and by-laws enacted, exercise their vote and influence and do and perform and cause to be done and performed any further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part hereof

O Successors and Assigns

Subject to the restrictions on assignment herein contained, this Agreement shall be to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns

P When Agreement Binding on the Franchisor

This Agreement is not effective until signed by a corporate officer of Ours No field representative or salesman is authorized to execute this Agreement on Our behalf You are advised not to incur any expense or obligation with respect to the proposed Franchised Business until You have received a fully executed copy of this Agreement from Us

Q Non-Waiver of Rights by the Franchisor

No waiver by Us of any breach by You, nor any delay or failure by Us to enforce any provision of this Agreement, may be deemed to be a waiver of any other or subsequent breach or be deemed an estoppel to enforce Our rights with respect to that or any other or subsequent breach

R. Force Majeure

We shall not be liable to You for any failure or delay in performing any obligation, in whole or in part, under this Agreement if such failure or delay results directly or indirectly from wars (declared or not), insurrections, riots, fires, floods, explosions, earthquakes, accidents, epidemic or quarantine restrictions, acts of God, any act of government or governmental priorities, transportation failures or delays, embargoes, material or parts shortages, strikes, labor trouble causing a cessation or slow down or interruption of work (including labor troubles or other delays at a supplier's facility), events where an export license is refused or withdrawn, or any other cause beyond Our reasonable control

~~S. Waiver of Jury Trial~~

~~With respect to any proceeding not subject to arbitration, the parties hereby agree to waive trial by jury in any action, proceeding or counterclaim, whether at law or equity, regardless of which party brings suit. This waiver will apply to any matter whatsoever between the parties hereto which arises out of or is related in any way to this Agreement, the performance of either party, and/or Your purchase from Us of this franchise and/or any goods or services.~~

~~T. Damages Waiver~~

~~You hereby waive to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) against Us arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, Your recovery is limited to actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions will continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.~~

~~U.~~S. **Reasonable Business Judgment**

Whenever We reserve discretion in a particular area or where We agree to exercise Our rights reasonably or in good faith, We will satisfy Our obligations whenever We exercise Reasonable Business Judgment in making a decision or exercising a right. Our decisions or actions will be deemed to be the result of Reasonable Business Judgment, even if other reasonable or even arguably preferable alternatives are available, if Our decisions or actions are intended, in whole or significant part, to promote or benefit the System generally even if the decision or action also promotes Our financial or other individual interests. Examples of items that will promote or benefit the System include, without limitation, enhancing the value of the Trademarks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization and improving the competitive position of the System.

~~V.~~T. **Entire Agreement, Modifications and No Reliance**

Except for any written promissory notes, this Agreement contains the entire agreement between the parties hereto as it relates to the franchising of the Franchised Business at the Premises, and there are no representations, inducements, promises, agreements, arrangements or undertakings, oral or written, between the parties relating to the franchising of the Franchised Business at the Premises other than those set forth herein and in any promissory notes, and no party has relied on any representation, inducement, promise, agreement, arrangement, undertaking, of any type or form, that is not set forth in this Agreement or any promissory note. No agreement of any kind relating to the matters covered by this Agreement shall be binding upon either party unless and until the same has been made in writing and executed by all interested parties. This provision is not intended to disclaim the representations We made solely in the franchise disclosure document that We furnished to You.

This Agreement may not be amended, modified or rescinded, or any performance requirement waived, except by a written document signed by You and an authorized representative of Ours This provision does not apply to changes in the Manual, which We may modify unilaterally The parties expressly agree that this Agreement may not be amended or modified, or any performance standard changed, by course of dealing, by special indulgences or benefits We bestow on You, or by inference from a party's conduct

---

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

FRANCHISOR ("WE," "US")
The COOP Franchise Group, LLC

By _____
[Signature]

Name _____
[Print Name]

Title _____

Date _____

FRANCHISEE ("YOU," "YOUR")
[Name of Franchisee]

By _____
[Signature]

Name _____
[Print Name]

Title _____

Date _____

EXHIBIT A

GUARANTY AND INDEMNIFICATION AGREEMENT

The Undersigned, for and in consideration of, and as an inducement to, the grant by The COOP Franchise Group, LLC ("Franchisor") of franchise rights to _____

_____

("Franchisee") for the development, establishment, and operation of a Franchised Business as described in that certain Franchise Agreement dated_____, between the Franchisor and the Franchisee ("Franchise Agreement") establishing said rights, and other good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, hereby jointly and severally guaranty timely and full payment of any and all indebtedness and full performance of any and all obligations for which the Franchisee is now or may hereafter become responsible This Guaranty shall include, without limitation, any sum owed by the Franchisee under the agreement which the Franchisee is not able to pay or remit to the Franchisor due to currency restrictions imposed by any government authority having jurisdiction in any country in which the Franchisee is operating under the Franchise Agreement, provided, however, that the Franchisee shall be entitled to a credit under the Franchise Agreement for any such amount paid by the Undersigned on its behalf

The Undersigned hereby agree to defend, indemnify, and hold the Franchisor and its affiliates harmless against any and all losses, damages, liabilities, costs, and expenses (including, but not limited to, reasonable attorneys' fees, reasonable costs of investigation, court costs, and arbitration fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by the Franchisee to make any payment required of the Franchisee under the Franchise Agreement or to perform any obligation of the Franchisee under the Franchise Agreement, including any amendments, or any other agreement executed by the Franchisee referred to in the Franchise Agreement

The Undersigned hereby agrees to be bound jointly and severally with the Franchisee for any such indebtedness and obligations to the Franchisor arising under the Franchise Agreement, and the Undersigned hereby waives (a) acceptance and notice of the acceptance of this guaranty ("Guaranty"), (b) notice of any and all indebtedness and obligations of the Franchisee to the Franchisor, now existing or which may hereafter exist, (c) notice of default of payment, demand and diligence, and all other notices of any kind whatsoever, (d) any right to require the Franchisor to (1) proceed against the Franchisee for any payment required under the Franchise Agreement, (2) proceed against or exhaust any security from the Franchisee, or (3) pursue or exhaust any remedy, including any legal or equitable relief, against the Franchisee, and (e) all legal and equitable defenses to which it may be entitled under the Franchise Agreement or under this Guaranty The Undersigned further waives notice of amendment of the Franchise Agreement and agrees to be bound by any and all such amendments and changes to the Franchise Agreement

The Undersigned acknowledge that, during the effective period of this Guaranty,

the Franchisor may look first to the Undersigned for any nonpayment or unperformed obligations, without being required to first seek recourse or exhaust all remedies against the Franchisee Without affecting the obligations of the Undersigned under this Guaranty, the Franchisor may, without notice to the Undersigned, extend, modify, or release any indebtedness or obligation of the Franchisee, or settle, adjust, or compromise any claims against the Franchisee

The Undersigned also agrees that the written acknowledgement of the Franchisee or the judgment of any arbitration panel or court establishing the amount due from the Franchisee shall be conclusive and binding on the Undersigned, and their successors and assigns, and that any extension of time for payment shall not affect the Undersigned's liability thereunder

This Guaranty shall terminate upon the termination or expiration of the Franchise Agreement, except that all obligations and liabilities of the Undersigned which arose from events which occurred on or before the effective date of such termination shall remain in full force and effect until satisfied or discharged by the Undersigned, and all obligations which by their terms continue in force after the expiration or termination of the Franchise Agreement shall remain in force according to their terms Upon the death of an individual guarantor, the estate of such guarantor shall be bound by this Guaranty, but only for defaults and obligations hereunder existing at the time of death, and the obligations of the other guarantors will continue in full force and effect

The Undersigned agrees to pay to the Franchisor its reasonable attorney's fees and all costs incurred by the Franchisor in attempting to collect, or in collecting, any sums owed by the Franchisee, as described in the Franchise Agreement (unless attorney's fees and costs are included in the indebtedness of the Franchisee for which the Undersigned is liable thereunder), or owed by the Undersigned as a result of, or in connection with, this Guaranty

The Undersigned hereby subordinate their claims to repayment of loans made by the Undersigned to the Franchisee, or any claims associated therewith, to the rights or claims of the Franchisor, whether now existing or hereafter arising while this Guaranty is in effect

This Guaranty is for the benefit of the Franchisor, which may, without any notice whatsoever to anyone, sell, assign, or transfer any part of the indebtedness guaranteed herein, and in that event, each and every successive assignee, transferee, or holder of all or any part of the indebtedness shall have the right to enforce this Guaranty, by suit or otherwise, for the benefit of such assignee, transferee or holder, as fully as if such assignee, transferee or holder were herein by name given such rights, powers, and benefits, but the Franchisor shall have an unimpaired right, prior and superior to that of any such assignee, transferee or holder, to enforce this Guaranty for its benefit as to so much of said indebtedness that it has not sold, assigned or transferred

The Undersigned understand that this Guaranty is independent of any and all

other guaranties that may be made by any other parties with respect to the indebtedness or obligations covered hereby Notices under this Guaranty shall be furnished to the Undersigned at the addresses given below in accordance with the Franchise Agreement This Guaranty shall be interpreted and construed in accordance with the applicable law and dispute resolution provisions of the Franchise Agreement This Guaranty is the entire agreement affecting the Undersigned's liability for the obligations described herein Unless specifically stated otherwise, the terms used in this Guaranty shall have the same meaning as in the Franchise Agreement

EXECUTED in multiple originals this day of _____, 201_

GUARANTORS

_____

Address

_____

~~Address~~ _____

EXHIBIT B

ACKNOWLEDGMENT ADDENDUM TO THE FRANCHISE AGREEMENT

As you know, you and we are entering into a Franchise Agreement for the operation of a Franchised Business. The purpose of this Acknowledgment Addendum is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, and to be certain that you understand the limitations on claims that may be made by you by reason of the offer and sale of the franchise and operation of your business. Please review each of the following questions carefully and provide honest responses to each question.

Acknowledgments and Representations*

1 Did you receive a copy of our Disclosure Document (and all exhibits and attachments) at least (a) fourteen (14) calendar days prior to signing the Franchise Agreement, or (b) if you are a resident of Iowa, Maryland, New York, Oklahoma or Rhode Island, at the earlier or the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or payment of any consideration, or (c) if you are a resident of Michigan, Oregon, Washington or Wisconsin, at the earlier of ten (10) business days before the execution of any binding agreement or payment of any consideration?

Check one ⊖__ Yes ⊖__ No

2 Have you studied and reviewed carefully our Disclosure Document and Franchise Agreement?

Check one ⊖__ Yes ⊖__ No

3 Is the name, address and phone number of each of our employees or representatives who was involved in offering you this franchise listed on the Disclosure Document receipt you signed (or on any updated receipt we provided to you)?

Check one ⊖__ Yes ⊖__ No

4 Do you understand that the Franchise Agreement contains the entire agreement between you and us concerning the franchise, meaning that any prior oral or written statements not included in the Franchise Agreement or our Disclosure Document will not be binding?

Check one ⊖__ Yes ⊖__ No

5 Do you understand that the success or failure of your business will depend in large part on your skills and experience, your business acumen, your location, the local market for products, interest rates, the economy, inflation, the number of employees you hire and their compensation, competition and other economic and business factors?

Check one ⊖__ Yes ⊖__ No

6 Do you understand that the franchise granted is for the right to operate a Franchised Business at the authorized location only and includes no exclusive area or protected territory, and that we and our affiliates have the right to issue franchises or operate competing businesses for or at locations, as we determine, near your -authorized location?

Check one ⊖__ Yes ⊖__ No

7 Do you understand that you are bound by the non-compete covenants (both in- term and post-term) listed in Section 14 and that an injunction is an appropriate remedy to protect the interests of the Franchise System if you violate the covenant(s)? Further, do you understand that the term "you" for purposes of the non-compete covenants is defined broadly such that any actions in violation of the covenants by those holding any interest in the Franchisee entity may result in an injunction, default and termination of -the Franchise Agreement?

Check one ⊖__ Yes ⊖__ No

If you answered "No" to questions 1-7, please explain (attach additional sheets if necessary)

_____

_____

_____

_____

8 Was any oral, written or visual claim or representation made to you which contradicted the disclosures in the Disclosure Document?

Check one ⊖__ Yes ⊖__ No

9 Was any oral, written or visual claim or representation made to you which stated, suggested, predicated or projected your sales, income or profit levels?

Check one ⊖__ Yes ⊖__ No

10 Did any employee or other person speaking on our behalf make any statement or promise regarding the costs involved in operating a franchise that is not contained in the Disclosure Document or that is contrary to or different from the information in the Disclosure Document?

Check one ⊖__ Yes ⊖__ No

If you answered "Yes" to questions 8-10, please explain in detail the claim, representation or statement (attached additional sheets if necessary)

_____

_____

_____

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM BY SIGNING THIS ADDENDUM YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS IF MORE SPACE IS NEEDED FOR ANY ANSWER, CONTINUE ON A SEPARATE SHEET AND ATTACH

NOTE IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP LIMITED -LIABILITY COMPANY OR OTHER ENTITY EACH OF ITS PRINCIPAL OWNERS MUST EXECUTE THIS ACKNOWLEDGMENT

Signed _____ Signed -_____

Print Name _____ Print Name -_____

Date _____ Date -_____

APPROVED ON BEHALF OF THE COOP FRANCHISE GROUP, LLC

Signed -_____

Print Name -_____

Title -_____

Date - _____

**Such representations are not intended to nor shall they act as a release estoppels or waiver of any liability incurred under the Illinois Franchise Disclosure Act or under the Maryland Franchise Registration and Disclosure Law*

EXHIBIT C

STATE LAW ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

THE COOP FRANCHISE ~~GROOUP~~GROUP, LLC

The following modifications are to the COOP® Franchise Disclosure Document and- may supersede, to the extent then required by valid applicable state law and certain portions of the Franchise Agreement ~~dated March 15,2016~~signed on the Effective Date

The following states have statutes that may supersede the Franchise Agreement in your relationship with Us, including the areas of termination and renewal of your franchise ARKANSAS [Stat Section 70-807], CALIFORNIA [Bus & Prof Code Sections 20000- 20043], CONNECTICUT [Gen Stat Section 42-133e et seq], DELAWARE [Code, Tit -6, Ch 25, Sections 2551-2556], HAWAII [Rev Stat Section 482E-1], ILLINOIS [Rev Stat 815 ILCS 705/19 and 705/20], INDIANA [Stat Sections 23- 2-2 7 and 23-2-2 5], IOWA [Code Sections 523H 1-523H 17], MARYLAND [Maryland Franchise Registration and Disclosure Law, MD Code Ann , Bus Reg Sections 14-201 to 14-233 (1998 Repl Vol & Supp 2001)], MICHIGAN [Stat Section 19 854(27)], MINNESOTA [Stat Section 80C 14], MISSISSIPPI [Code Section 75-24-51], MISSOURI [Stat Section 407 400], NEBRASKA [Rev Stat Section 87-401], NEW JERSEY [Stat Section 56 10-1], SOUTH
DAKOTA [Codified Laws Section 37- 5B], VIRGINIA [Code 13 1-517-574], WASHINGTON [Code Section 19 100 180], WISCONSIN [Stat Section 135 03] These and other states may have court decisions that may supersede the Franchise Agreement in Your relationship with us including the areas of termination and renewal of Your franchise

CALIFORNIA

1 No person named in Item 2 is subject to any currently effective order of any national securities association or national securities exchange as defined in the Securities and Exchange Act of 19934, 15 U S C A 78a et seq , suspending or expelling such person from membership in such association or exchange

2. The California Franchise Investment Law requires a copy of all proposed- agreements relating to the sale of the franchise be delivered together with the offering circular

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

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

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

6 You must sign a general release of claims if you renew or transfer your franchise California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000 through 31516) Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043)

7 The franchise agreement requires binding arbitration -The arbitration will occur at -the offices of the ~~Franchise~~American Arbitration ~~and Mediation Service~~Association nearest our home office in Los Angeles, California, with the costs being borne by the party which does not substantially prevail Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040 5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California

8 Section 31125 of the California Corporation Code requires us to give you a disclosure document, in a form containing the information that the commission may by rule or order require, before a solicitation of a proposed material modification of -an existing franchise

9 Re website www thecoop-la com

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at www dbo ca gov

10 Nothing in the franchise agreement or any related agreement is intended to disclaim the representations We have made in Our Franchise Disclosure Document

EXHIBIT B

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Operations Manual
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EXHIBIT C

LIST OF STATE ADMINISTRATORS & AGENTS FOR SERVICE OF PROCESS

This list includes the names, addresses and telephone numbers of state agencies having responsibility for franchising disclosure/registration laws, and serving as our agents for service of process (to the extent that we are registered in their states) This list also includes the names, addresses and telephone numbers of other agencies, companies or entities serving as our agents for service of process

State	State Agency	Agent for Service of Process
California	Department of Business Oversight 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 (231) 576-7505 Toll Free (866) 275-2677 1515 K Street, Suite 200 Sacramento, CA 95814-4052 (916) 445-7205 1350 Front Street San Diego, CA 92101-3697 (619) 525-4233 One Sansome Street, #600 San Francisco, CA 94104 (415) 972-8565	California Department of Business Oversight 1515 K Street, Suite 200 Sacramento, CA 95814-4052
	~~Suite 750~~ ~~320 West 4th Street~~ ~~Los Angeles, CA 90013-2344~~ ~~(213) 576-7505~~ ~~Toll Free (866) 275-2677~~ ~~1515 K Street, Suite 200~~ ~~Sacramento, CA 95814-4052~~ ~~(916) 445-7205~~ ~~1350 Front Street~~ ~~San Diego, CA 92101-3697~~ ~~(619) 525-4233~~ ~~One Sansome Street, #600~~ ~~San Francisco, CA 94104~~ ~~(415) 972-8565~~	~~Oversight~~ ~~1515 K Street, Suite 200~~ ~~Sacramento, CA 95814-4052~~
Connecticut	Connecticut Department of Banking 260 Constitution Plaza Hartford, CT 06103 (860) 240-8233	Banking Commissioner 260 Constitution Plaza Hartford, CT 06103 (860) 240-8233

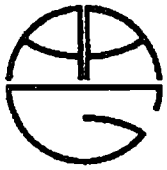
	(860) 240-8232	(860) 240-8232
Florida	N/A	Senior Consumer Complaint Analyst Department of Agriculture and Consumer Services Division of Consumer Services Mayo Building, 2nd Floor ~~Tallahassee, FL 32399-0800~~ Tallahassee, FL 32399-0800 (850) 922-2770

Hawaii	Commissioner of Securities 355 Merchant Street, Room 203 Honolulu, Hawaii 96813-2921 PO Box 40 Honolulu, Hawaii 96810 (808) 586-2722	Commissioner of Securities 355 Merchant Street, Room 203 Honolulu, Hawaii 96813 PO Box 40 Honolulu, Hawaii 96810 (808) 586-2722
Illinois	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 67206 (217) 782-4465	Illinois Attorney General 500 South Second Street Springfield, IL 67206
Indiana	Indiana Secretary of State Securities Division Room E-111 301 West Washington Street Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204
Iowa	Director of Regulated Industries Unit, Iowa Securities Bureau 340 E Maple Des Moines, Iowa 50319-0066 (515) 281-4441	Director of Regulated Industries Unit, Iowa Securities Bureau 340 E Maple Des Moines, Iowa 50319-0066 (515) 281-4441
Maryland	Office of the Attorney General Division of Securities 200 St Paul Place ~~Baltimore, MD 21202~~Baltimore, MC21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St Paul Place 20th Floor Baltimore, MD 21202-2020 (410) 576-6360
Michigan	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau 670 Law Building Lansing, MI 48913 (517) 373-7117
Minnesota	Minnesota Department of Commerce ~~Commerce~~ 85 7th Place E , Suite ~~500~~280 St Paul, MN 55101-2198 (651) ~~296-4026~~539-1500	Minnesota Department of Commerce ~~of Commerce~~ 85 7th Place E , Suite ~~500~~280 St Paul, MN 55101-2198 (651) 539-1500

Nebraska	Staff Attorney Department of Banking & Finance 1200 N Street , Suite 311 PO Box 95006 Lincoln, NE 68509 (402) 471-3445	Staff Attorney Department of Banking & Finance 1200 N Street , Suite 311 PO Box 95006 Lincoln, NE 68509 (402) 471-3445
New York	New York State Department of Law Bureau of Investor Protection and Securities 120 Broadway, 23rd Floor New York, NY 10271 (212) 328-4712	Secretary of State of the State of New York 41 State Street Albany, New York 11231
North Dakota	Office of Securities Commissioner ~~Fifth Floor~~ 600 East Boulevard, Fifth Floor Bismarck, ND 58505-0510 (701) 328- 4712	North Dakota Securities Commissioner and United Corporate Services, Inc 105 East Broadway P O Box 1278 Bismarck, ND 58502
Oregon	Department of Consumer and Business Services Division of Finance and Corporate Securities 350 Winter Street, NE, #410 Salem, OR 97310 (503) 378-4140	Director of Oregon Department of Insurance and Finance 350 Winter Street, NE, #410 Salem, OR 97310 (503) 378-4140
Rhode Island	Department of Business Regulation Division of Securities 233 Richmond St Suite 232 Providence, RI 02903-4232 (401) 222-3048	Director of Rhode Island Department of Business Regulation 1 Hospital Trust Plaza 1420 Hospital Trust Tower Providence, RI 02903
Texas	Secretary of State Statutory Document Section PO Box 13550 Austin, TX 78711 (512) 475-1769	Secretary of State Statutory Document Section PO Box 13550 Austin, TX 78711 (512) 475-1769

EXHIBIT D

FINANCIAL STATEMENTS



A. ANDREW GIANIODIS
CERTIFIED PUBLIC ACCOUNTANT

THE COOP FRANCHISE GROUP LLC

DECEMBER 31, 2017 AND 2016

FINANCIAL STATEMENTS

279 Niagara Falls Blvd Amherst, New York 14226 716 – 510-6068

THE COOP FRANCHISE GROUP LLC

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A. ANDREW GIANIODIS
CERTIFIED PUBLIC ACCOUNTANT

April 2, 2018

INDEPENDENT AUDITORS' REPORT

Board of Directors and Stockholders of
The COOP Franchise Group LLC

REPORT ON FINANCIAL STATEMENTS

I have audited the accompanying balance sheet of The COOP Franchise Group LLC (a limited liability company) as of December 31, 2017 and 2016 and the related statements of operations, changes in member's equity and cash flows for the years then ended These financial statements are the responsibility of the Company's management My responsibility is to express an opinion on these statements based on my audits

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with principles generally accepted in the United States of America, this includes the design, implementation, and maintenance of internal control relevant to the preparation 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 audits in accordance with generally accepted auditing standards as accepted in the United States of America Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement

An audit includes 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 risks of material misstatements of the financial statements, whether due to fraud or error In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control Accordingly, I express no such opinion

279 Niagara Falls Blvd Amherst, New York 14226 716 – 510-6068

An audit also includes evaluating 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation

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 The COOP Franchise Group LLC (a limited liability company) as of December 31, 2017 and 2016 and the results of operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America

A Andrew Gianiodis

Certified Public Accountant

279 Niagara Falls Blvd Amherst, New York 14226 716 – 510-6068

The COOP Franchise Group LLC

Balance Sheet
December 31, 2017 and 2016

ASSETS

	2017	2016
Current Assets		
Cash	$ 22,108	$ 1,279
Due from affiliates	-	12,350
Total Current Assets	22,108	13,629
FIXED ASSETS		
Equipment	2,200	-
Accumulated Depreciation	(1,115)	-
TOTAL FIXED ASSETS	1,085	-
Total Assets	$ 23,193	$ 13,629

LIABILITIES & EQUITY

Current Liabilities		
Accounts payable	$ -	$ -
Due to affiliates	22,000	-
Total Current Liabilities	22,000	-
Total Liabilities	22,000	-
Equity		
Member's equity	1,193	13,629
Total Equity	1,193	13,629
Total Liabilities and Equity	$ 23,193	$ 13,629

See accompanying notes

The COOP Franchise Group LLC

Statement of Operations
Years ending December 31, 2017 and 2016

	2017	2016
Revenues		
Initial franchise fee	$ 70,000	$ -
Other franchise revenue	34,924	3,420
Total revenue	104,924	3,420
Expenses		
Advertising	-	490
Bank charges	92	144
Licensing	967	579
Marketing	34,500	2,500
Professional fees	2,686	1,213
Total expenses	38,245	4,926
Operating Income	66,679	(1,506)
Other Income and Expense		
Income Taxes	(1,150)	(1,250)
Depreciation	(1,115)	-
Net Income/ (loss)	$ 64,414	$ (2,756)

See accompanying notes

The COOP Franchise Group LLC

Statement of Changes in Equity
Years ending December 31, 2017 and 2016

		Member's Equity
Balance, January 1, 2016	$	16,385
Owner Distributions		
Net Loss		(2,756)
Total equity at December 31, 2016	$	13,629
Balance, January 1, 2017	$	13,629
Member Draws		(76,850)
Net Income		64,414
Total equity at December 31, 2017	$	1,193

See accompanying notes

The COOP Franchise Group LLC

Statement of Cash Flows
Years ending December 31, 2017 and 2016

	March 1	December 31
Cash flows from operating activities		
Net Income	$ 64,414	$ (2,756)
Adjustments to reconcile net loss to net cash provided by operating		
Depreciation & amortization	1,115	-
Changes in assets and liabilities		
Current assets	12,350	-
Current liabilities	22,000	-
Net cash provided by operating activities	99,879	(2,756)
Cash flows from investing activities		
Expenditures on fixed assets	(2,200)	-
Net cash provided by investing activities	(2,200)	-
Cash flows from financing activities		
Capital Infusion	-	-
Member's Draws	(76,850)	-
Net cash provided by financing activities	(76,850)	-
Net increase in cash	20,829	(2,756)
Cash - beginning of year	1,279	4,035
Cash - end of year	$ 22,108	$ 1,279
Supplemental Disclosures		
Interest Paid	-	-
Income Taxes Paid	-	1,250

See accompanying notes

THE COOP FRANCHISE GROUP LLC
NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND NATURE OF BUSINESS

The Company was incorporated under the laws of the State of California for the purpose of offering franchise opportunities to entrepreneurs who want to own and operate their own The COOP operation as a franchisee

BASIS OF PRESENTATION

The financial statements are presented on the accrual basis of accounting

REVENUE RECOGNITION

Initial franchise fees will be recorded as income when the company provides substantially all the initial services agreed upon in the franchise agreement or when the franchise has commenced operations, whichever comes first If the fee is received over a period of time and the Company has no reasonable basis for estimating the collectability of the fee, the Company will use the installment method of recognition of the initial fee as revenue

Monthly royalty fees will be recognized when paid by the franchisee

COMPANY INCOME TAXES

The Company is an LLC, as such, the Company will not be responsible for income taxes on the company level Instead, its taxable income will be included on the owner's personal tax returns

NOTE 2 DISCLOSURE ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company estimates that the fair value of all financial instruments at December 31, 2017 and 2016, as defined in FASB 107, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet The estimated fair value amounts have been determined by the Company using available market information and appropriate valuation methodologies Considerable judgment is required in interpreting market data to develop the estimates of fair value, and accordingly, the estimates are not necessarily indicative of the amounts that the Company could realize in a current market exchange

NOTE 3 COMMITMENTS AND CONTINGENCIES

The Company does not carry general liability or worker's compensation coverage, nor is it self-insured

NOTE 4 FRANCHISE AGREEMENT

The terms of the Company's franchise agreement will be as follows

A The Company will grant the right to use the Company name, trademark and system in the franchisee's franchise development business
B The franchisee is obligated to pay a non-refundable initial franchise fee
C The franchisee is obligated to pay a monthly royalty fee Certain other fees are also outlined in the agreement

NOTE 5 CONSULTATION AGREEMENT

The Company entered into a Consultation Agreement with Franchise Development & Marketing Group Inc ("FD&MG") FD& MG is retained to prepare franchise legal work, operations manuals, and to market and sell the Company's franchises based on an advertising budget provided by The COOP Franchise Group LLC

NOTE 6 SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 2, 2018, the date that the financial statements were available to be issued

A. ANDREW GIANIODIS
CERTIFIED PUBLIC ACCOUNTANT

CONSENT OF THE INDEPENDENT AUDITOR

March 30, 2015

To Whom It May Concern

We consent to the inclusion in the Uniform Franchise Disclosure Document of The COOP Franchise Group LLC of the report dated March 30, 2015 on the audit of the financial statements of The COOP Franchise Group LLC for the period ended March 30, 2015

Sincerely,

CPA

A. Andrew Gianiodis, CPA

279 Niagara Falls Blvd Amherst, New York 14226 716 – 510-6068

A. ANDREW GIANIODIS
CERTIFIED PUBLIC ACCOUNTANT

THE COOP FRANCHISE GROUP LLC

MARCH 30, 2015

FINANCIAL STATEMENTS

279 Niagara Falls Blvd Amherst, New York 14226 716 – 510-6068

THE COOP FRANCHISE GROUP LLC

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A. ANDREW GIANIODIS
CERTIFIED PUBLIC ACCOUNTANT

March 30, 2015

INDEPENDENT AUDITORS' REPORT

Board of Directors and Stockholders of
The COOP Franchise Group LLC

REPORT ON FINANCIAL STATEMENTS

I have audited the accompanying balance sheet of The COOP Franchise Group LLC (a limited liability company) as of March 30, 2015 and the related statements of operations, changes in member's equity and cash flows for the period then ended These financial statements are the responsibility of the Company's management My responsibility is to express an opinion on these statements based on my audits

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with principles generally accepted in the United States of America, this includes the design, implementation, and maintenance of internal control relevant to the preparation 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 audits in accordance with generally accepted auditing standards as accepted in the United States of America Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement

An audit includes 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 risks of material misstatements of the financial statements, whether due to fraud or error In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control Accordingly, I express no such opinion

279 Niagara Falls Blvd Amherst, New York 14226 716 – 510-6068

An audit also includes evaluating 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation

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 The COOP Franchise Group LLC (a limited liability company) as of March 30, 2015 and the results of operations and its cash flows for the period then ended in conformity with accounting principles generally accepted in the United States of America

A Andrew Gianiodis

Certified Public Accountant

279 Niagara Falls Blvd Amherst, New York 14226 716 – 510-6068

The COOP Franchise Group LLC

Balance Sheet
March 30, 2015

Assets

Current assets	
Cash	$ 30,000
Due from affiliate	-
Total Current Assets	30,000
Fixed assets	
Equipment	-
Accumulated depreciation	-
Total fixed assets	-
Other assets	
Intangible assets (net)	-
	-
Total Assets	$ 30,000

Liabilities & Equity

Current liabilities	
Accounts Payable	$ -
Total liabilities	-
Member's Equity	
Equity	30,000
Retained earnings	-
Total equity	30,000
Total liabilities and equity	$ 30,000

See accompanying notes

The COOP Franchise Group LLC

Statement of Operations
Period Ended March 30, 2015

Revenues	
Initial franchise fee	$ -
Other franchise revenue	-
Total revenue	-
Expenses	
Accounting	-
Advertising	-
Amortization	-
Bank charges	-
Business permits	-
Computer and internet	-
Filing fees	-
Franchising fees	-
Marketing	-
Miscellaneous	-
Office expenses	-
Printing	-
Purchases	-
Total expenses	-
Net income	$ -

See accompanying notes

The COOP Franchise Group LLC

Statement of Changes in Members' Equity
Period Ended March 30, 2015

	Partners' Equity	Retained Earnings	Total Equity
Members' Equity at March 3, 2015	$ -	$ -	$ -
Equity Infusion	30,000	-	30,000
Net Income		-	-
Members' equity at March 30, 2015	$ 30,000	$ -	$ 30,000

See accompanying notes

The COOP Franchise Group LLC

Statement of Cash Flows
Period Ended March 30, 2015

Cash flows from operating activities		
Net Income	$	-
Adjustments to reconcile net loss to net cash provided by operating		-
Depreciation & amortization		-
Changes in assets and liabilities		
Current assets		-
Current liabilities		-
Net cash provided by operating activities		-
Cash flows from investing activities		-
Net cash provided by investing activities		-
Cash flows from financing activities		
Intangible Asset		-
Capital Infusion		30,000
Net cash provided by investing activities		30,000
Net increase in cash		30,000
Cash - beginning of period		-
Cash - end of period	$	30,000
Supplemental Disclosures		
Interest Paid		-
Income Taxes Paid		-

See accompanying notes

THE COOP FRANCHISE GROUP LLC
NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND NATURE OF BUSINESS

The Company was incorporated under the laws of the State of California for the purpose of offering franchise opportunities to entrepreneurs who want to own and operate their own The COOP operation as a franchisee

BASIS OF PRESENTATION

The financial statements are presented on the accrual basis of accounting

REVENUE RECOGNITION

Initial franchise fees will be recorded as income when the company provides substantially all the initial services agreed upon in the franchise agreement or when the franchise has commenced operations, whichever comes first If the fee is received over a period of time and the Company has no reasonable basis for estimating the collectability of the fee, the Company will use the installment method of recognition of the initial fee as revenue

Monthly royalty fees will be recognized when paid by the franchisee

COMPANY INCOME TAXES

The Company is an LLC, as such, the Company will not be responsible for income taxes on the company level Instead, its taxable income will be included on the owner's personal tax returns

NOTE 2 DISCLOSURE ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company estimates that the fair value of all financial instruments at March 30, 2015, as defined in FASB 107, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet The estimated fair value amounts have been determined by the Company using available market information and appropriate valuation methodologies Considerable judgment is required in interpreting market data to develop the estimates of fair value, and accordingly, the estimates are not necessarily indicative of the amounts that the Company could realize in a current market exchange

NOTE 3 COMMITMENTS AND CONTINGENCIES

The Company does not carry general liability or worker's compensation coverage, nor is it self-insured

NOTE 4 FRANCHISE AGREEMENT

The terms of the Company's franchise agreement will be as follows

A The Company will grant the right to use the Company name, trademark and system in the franchisee's franchise development business
B The franchisee is obligated to pay a non-refundable initial franchise fee
C The franchisee is obligated to pay a monthly royalty fee Certain other fees are also outlined in the agreement

The Company has yet to sell any franchises as of March 30, 2015

NOTE 5 CONSULTATION AGREEMENT

The Company entered into a Consultation Agreement with Franchise Development & Marketing Group Inc ("FD&MG") FD& MG is retained to prepare franchise legal work, operations manuals, and to market and sell the Company's franchises based on an advertising budget provided by The COOP Franchise Group LLC

NOTE 6 SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 30, 2015, the date that the financial statements were available to be issued

EXHIBIT E

LIST OF FRANCHISEES

(as of December 31, ~~2016~~2017)

State	~~City~~Territory	Name	Address	~~City~~	Zip	Phone
CA	Redondo Beach	Peter Rockwood	903 N. Catalina Avenue		90277	310-374-2667
CA	Woodland Hills	Carmen Capone & Jeannine Green	6320 Topanga Canyon Blvd #1623		91367	818-883-COOP
CA	Yorba Linda	Charmaine Goco & Anthony Goco	20655 Yorba Linda Blvd, Suite A		92886	714-340-3688
TX	Austin	Tatiana Penney	11101 Burnet Road, Suite 190		78757	(512) 814-0755
TX	Frisco~~, TX~~	Elizabeth Files dba BEC Events, LLC	8802 Coleman Blvd	~~Frisco~~	75034	972-668-1100
~~CA~~	~~Redondo Beach, CA~~	~~Peter Rockwood~~	~~903 N. Catalina Avenue~~	~~Redondo Beach~~	~~90277~~	~~310-374-2667~~

Franchisees That Have Signed Agreements, But Have Not Yet Opened

State	City	Name	Address	Zip
CA	Pleasanton	Maira Asad	3059-D Hopyard Road	94588

EXHIBIT F

LIST OF FORMER FRANCHISEES
(as of December 31, ~~2015~~2017)

None

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

~~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~~

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 The COOP Franchise Group, LLC offers ~~you~~You a franchise, it must provide this disclosure document to ~~you~~You 14 calendar days before ~~you~~You sign a binding agreement with, or make a payment ~~with~~to, the franchisor or an affiliate in connection with the proposed franchise sale

~~Maryland,~~ Under Iowa or New York ~~and Rhode Island require that we give you~~law, if applicable, The COOP Franchise Group, LLC must provide this disclosure document to You at ~~the earlier of the first~~Your 1st personal meeting, or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship Michigan~~, Oregon, Washington and Wisconsin require that we~~ requires The COOP Franchise Group, LLC to give ~~you~~You this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first

If The COOP Franchise Group, LLC does not deliver this disclosure document on time or if it contains a false or misleading ~~misstatement~~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, ~~DC~~D C 20580 and the appropriate state agency ~~listed~~identified on Exhibit ~~C~~A

The ~~following are the names~~name, principal business ~~addresses~~address and telephone ~~numbers~~number of each franchise seller offering the franchise

Juliet Ward Boydstun ~~of The COOP Franchise Group, LLC, located at 11118 Ventura Boulevard, Studio City, California 91604 (818) 760-9613~~

and Lucinda Gould Lent of The COOP Franchise Group, LLC, located at 11118 Ventura Boulevard, Studio City, California 91604 (818) 760-9613

, Geoff Hassan of Franchise Development Group, located at 1960 Anaheim Way, Anaheim, CA 92805 (805) 453-8574 We have inserted the name and address of any other franchise seller below (we attach additional pages if necessary)

Issuance Date ~~March 15,~~ April 2, 2018~~2017~~

See Exhibit A for The COOP Franchise Group, LLC's registered agents authorized to receive service of process

I have received a disclosure document dated ~~March 15,~~ April 2, 2018~~2017~~ that included the following Exhibits

~~A Franchise Agreement with Exhibits and State Addenda~~
~~B Operations Manual Table of Contents~~
~~C State Administrators and Agents for Services of Process~~
~~Reviewed~~

~~D~~
~~E Financial Statements and Report~~

~~F List of Franchisees~~
~~E List of Former Franchisees~~

~~All individuals who will sign the Franchise Agreement must sign this Receipt. If a corporation or limited liability company will execute the Franchise Agreement, an officer or owner authorized to receive this FDD on behalf of the corporation or limited liability company must execute this Receipt. If the Franchise Agreement will be executed by a partnership, then all general partners must execute this Receipt as general partners and individuals.~~

A Franchise Agreement with Exhibits and State Addenda~~Individuals~~	D Financial Statements and Report
~~Printed Name~~B Manual Table of Contents	E List of Franchisees~~Signature~~
C State Administrators, Agents for Service of Process	F List of Former Franchisees

~~Printed Name~~ ~~Signature~~ ~~Date~~

~~If corporation:~~

~~By~~ _____ _____ _____

~~Name~~ ~~Signature~~ ~~Date~~

~~Its~~ _____

~~Title~~

~~If limited liability company:~~ _____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____ _____ _____

Date~~Printed Name~~ Signature ~~Date~~Printed Name

_____ _____ _____

Date Signature Printed Name

~~Title~~

~~If partnership:~~

~~As general partners~~Please sign both copies of the receipt and ~~as individuals~~

~~Printed Name~~	~~Signature~~	~~Date~~
~~Printed Name~~	~~Signature~~	~~Date~~
~~Printed Name~~	~~Signature~~	~~Date~~

~~**Return to:**~~

~~The COOP Franchise Group,~~
~~LLC~~date Your signature Please retain one copy for Your records, and return the other copy to our legal department at 11118 Ventura Boulevard , Studio City, California 91604

~~Or by~~, phone (818) 760-9613, or email ~~with electronic signatures to~~us at info@thecoop-la com

RECEIPT

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~~D Financial~~
~~State agents and Report~~

~~E List of Franchisees~~
~~F List of Former Franchisees~~

~~All individuals who will sign the Franchise Agreement must sign this Receipt. If a corporation or limited liability company will execute the Franchise Agreement, an officer or owner authorized to receive this FDD on behalf of the corporation or limited liability company must execute this Receipt. If the Franchise Agreement will be executed by a partnership, then all general partners must execute this Receipt as general partners and individuals.~~

~~Individuals:~~ _____A Franchise Agreement with Exhibits and State Addenda	D Financial Statements and Report _____
~~Printed Name~~B Manual Table of Contents	~~Signature~~E List of Franchisees
_____C State Administrators, Agents for Service of Process	F List of Former Franchisees

~~Printed Name~~ ~~Signature~~ ~~Date~~

~~If corporation:~~

~~By~~ _____ _____ _____

~~Name~~ ~~Signature~~ ~~Date~~

~~Its~~ _____

~~Title~~

~~If limited liability company:~~

_____ _____ _____

~~Printed Name~~Date Signature Printed Name~~Date~~

_____ _____ _____

Date Signature Printed Name

~~Title~~

~~If partnership:~~

~~As general partners~~Please sign both copies of the receipt and ~~as individuals~~

~~Printed Name~~	~~Signature~~	~~Date~~
~~Printed Name~~	~~Signature~~	~~Date~~
~~Printed Name~~	~~Signature~~	~~Date~~

~~**Return to:**~~

~~The COOP Franchise Group, LLC~~date
Your signature Please retain one copy
for Your records, and return the other
copy to our legal department at 11118
Ventura Boulevard
, Studio City, California 91604

~~Or by~~, phone (818) 760-9613, or email ~~with electronic signatures to~~us at info@thecoop-la com