

FRANCHISE DISCLOSURE DOCUMENT

Cookie Co. Franchising, LLC,
a Utah limited liability company

2278 North 300 East
Lehi, Utah 84043
(970) 381-2472
franchising@officialcookieco.com

www.officialcookieco.com



As a Cookie Co.[™] franchisee, you will promote and operate a Cookie Co.[™] Business, which will specialize in the retail sale of Cookie Co.[™] branded snack food products, and other menu items and merchandise related to the Cookie Co.[™] concept, as we may periodically authorize.

The initial investment necessary to begin operation of a Cookie Co.[™] franchised business ranges from \$162,500 to \$460,000. This includes \$25,000 that must be paid to the franchisor or its affiliates.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, 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 to you. To discuss the availability of disclosures in different formats, contact Cookie Corner

Franchise, LLC, 2278 North 300 East, Lehi, Utah 84043, (970) 381-2472, stefanie@officialcookieco.com.

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

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

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

Issuance Date: August 19, 2021

How to Use This Franchise Disclosure Document

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

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

What You Need to Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This Franchise*

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

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

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

NOTICE REQUIRED
FOR PROSPECTIVE FRANCHISEES
BY STATE OF MICHIGAN

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, according to the Michigan Department of Attorney General, Consumer Protection Division (the “*Division*”), the provisions are void and cannot be enforced against you:

- (a) A prohibition on 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 by the Michigan Franchise Investment Law. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee’s inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 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 6 months advance notice of franchisor’s intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This subsection does not require a renewal provision.

THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.

- (f) A provision requiring that arbitration or litigation be conducted outside the State 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 is not limited to:
 - (i) The failure of the proposed transferee to meet the franchisor’s then **current** reasonable qualifications or standards.
 - (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

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

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

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

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

The fact that there is a notice of this offering on file with the Attorney General of Michigan does not constitute approval, recommendation, or endorsement by the Attorney General.

Any questions regarding this notice should be directed to the Michigan Department of Attorney General, Consumer Protection Division, Franchise Section, 525 W. Ottawa Street, Williams Building, 1st Floor, Lansing, MI 48933; (517) 373-7177.

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

Description of the Franchisor and its Predecessors and Affiliates.

To simplify the language in this Disclosure Document, “*Cookie Co.*,” “*we*,” “*us*” and similar words, refer to the franchisor, **Cookie Co. Franchising, LLC**, a Utah limited liability company (“**Franchisor**”). “*You*,” and similar words, means the person or persons, including a corporate or other legal entity, individually and collectively, buying a franchise from us; and “*your Business*” means the Cookie Co. retail location that you will operate if we enter a Cookie Co.™ Franchise Agreement with you. We have also attached as Exhibit H a list of additional defined terms used in this Disclosure Document. If a capitalized term is not defined in the body of this Disclosure Document, please refer to Exhibit H for the definition.

Franchisor

Cookie Co.™ is a Utah limited liability company that was formed on June 1, 2021, as amended, June 23, 2021. Cookie Co.™ does business under the names “Cookie Co.,” and “Cookie Co. Franchising.” Our principal business address is 2278 North 300 East, Lehi, Utah 84043. Our agents for service of process in the states where we do business or plan on doing business are listed on Exhibit A to this Disclosure Document.

Parent, Predecessor and Affiliates

Our affiliate, Cookie Corner, LLC is a California limited liability company that was formed in August 2019. Cookie Corner, LLC owns our flagship location in Redlands, CA. Its principal business address is 100 W. Stuart Avenue, Redlands, CA 92374.

Cookie Co.™ has no parent, predecessor or other affiliates.

Franchisor’s Business

Cookie Co.™ is in the business of granting licenses and franchises for the operation of Cookie Co.™ Businesses under the “Cookie Co.™” name and Marks. Please see Exhibit C for a copy of the current form of the Cookie Co.™ Franchise Agreement (and its related appendices) that Cookie Co.™ uses to offer, award and service Cookie Co.™ Franchises.

Cookie Co.™, through its Affiliate, has been in the business of the type to be operated by you since August 2019. Cookie Co.™ and our current and future affiliates may develop additional Cookie Co.™ Businesses, all of which may compete with you.

This is the only franchised business that is being offered by us.

We, or one of our affiliates, may establish a new business or franchise system or acquire an existing business or franchise system (which may be one of our or your competitors) operating under trademarks, service marks and trade names other than the Marks. Additionally, we or one of our Affiliates, may sell any products or services under any tradenames, trademarks, service marks or trade dress, including the Marks directly or by certain means and through other channels of distribution (including wholesale distribution of food products, apparel, gift certificates and other items using the Marks to Business, supermarkets, grocery stores, Internet, catalogs, catering and other outlets), and may also grant other licenses or franchises for the sale of various products under the Marks. The new or existing sales activities, licenses, businesses or franchise systems may compete with you.

We or one of our Affiliates may enter co-branding arrangements with other companies. In these cases, we or our Affiliates may allow you to offer co-branded products from your Business, depending on factors such as the terms of the co-branding arrangement, the terms of your Cookie Co.™ Franchise Agreement, applicable geographic restrictions and our Affiliates’ other rights and obligations. These activities may compete with you.

Description of the Franchises Offered

We offer franchises for Cookie Co.TM Businesses in accordance with the terms of our Cookie Co.TM Franchise Agreement (the “*Cookie Co.TM Franchise Agreement*” or “*Franchise Agreement*”). A copy of the most recent Cookie Co.TM Franchise Agreement is attached to this Disclosure Document as Exhibit C. If you enter a Cookie Co.TM Franchise Agreement, you will be trained and authorized to operate a Cookie Co.TM cookie bakery that provides giant, fresh, gourmet cookies, as well as, soft drinks, cookie pies and other approved items to its retail customers. You will operate your Business at, and only at, a location approved by us, and you will not receive any guaranteed territory outside of the standard, pre-defined Protected Area, or any exclusive rights for operation of a Cookie Co.TM Business at any other location or within any other territory.

We also offer franchises by means of an area development agreement, through which we allow qualified persons or entities the right to develop one or more Cookie Co.TM Businesses within a specific geographic area (the “*Development Area*”) under our standard area development agreement (the “*Area Development Agreement*” or “*ADA*”). A copy of the ADA is attached hereto as Exhibit D.

In addition, you must also enter into a separate then-current form of the Franchise Agreement for each Business you open under the terms and conditions of an area development schedule (the “*Development Schedule*,” attached to the Area Development Agreement). The Businesses built at the sites pursuant to an ADA must follow the standards and schedule defined by the Franchise Agreement. Before you will have the right to sign the Franchise Agreement for the Business, you must meet all our requirements for new franchises which include personal financial and business criteria.

The Franchise

A Cookie Co.TM franchisee will specialize in the retail sale of giant, fresh, gourmet cookies, as well as, soft drinks, cookie pies and other menu items and merchandise related to the Cookie Co.TM concept and according to our proprietary systems and operation, as we may periodically authorize (the “*System*” or the “*Cookie Co.TM System*”). You must offer for sale all products and services Cookie Co.TM designates, and no others, unless you obtain our prior written approval not to carry certain items or provide certain services (see, Item 8 below).

If you do business as an Entity, each of your Owners must sign a Guaranty in the form found in Exhibit C to the Franchise Agreement, guaranteeing your obligations under the Franchise Agreement and in the form found in Exhibit C to the ADA, guaranteeing your obligations under the ADA.

Occasionally, we may sell and franchise one or more of our Affiliate-owned Cookie Co.TM Businesses. In these transactions, we negotiate with the prospective franchisee to reach mutually acceptable terms of a sale agreement and any lease or sublease of the real estate. If you purchase an Affiliate-owned Cookie Co.TM Business you must sign a Franchise Agreement and, possibly, also an ADA for the further development of Cookie Co.TM Business in the geographic area where the purchased Cookie Co.TM Business(es) is located. Depending on the circumstances, the financial and other terms may vary from the standard terms of our Franchise Agreement and ADA.

We also may enter minority-interest ownership arrangements or other arrangements with existing franchisees or others to develop and/or operate Cookie Co.TM Businesses. The parties will negotiate the terms of these arrangements. Depending on the precise terms of such arrangements, a Cookie Co.TM Business may be either Affiliate-owned or a franchised Cookie Co.TM Business for purposes of this Disclosure Document. In Item 20 below, we indicate, by way of a footnote, any Cookie Co.TM Business that is operated under these types of arrangements.

We also may offer franchises or other arrangements for Cookie Co.TM Business to be located at non-traditional locations, such as transportation facilities (e.g., airports, inter-metropolitan train and/or bus stations, turnpikes, or other limited access highway rest stops); colleges and universities; sports arenas and entertainment

facilities; and retail outlets, grocery stores and supermarkets, as well as, mobile Cookie Co.™ Businesses that would be located in a motor vehicle such as a truck, van or similar motorized vehicle. The terms and conditions of a franchise or other arrangements for a non-traditional location may vary considerably from the standard terms of our Franchise Agreement and ADA.

We also may offer franchises for Cookie Co.™ Business in foreign countries. In most instances, we anticipate that master franchise relationships will be established and that the financial terms and the nature and scope of such master franchise relationship will be negotiated. This Disclosure Document does not describe the terms of any international master franchise relationship or any other international relationship, but we may deliver this Disclosure Document in connection with these transactions for general informational purposes.

The Market

The products and services offered by a Cookie Co.™ Business are intended primarily for personal consumption by the general public and are principally targeted at people who enjoy freshly baked dessert products. Cookie Co.™ has geared its products to appeal to customers who enjoy high-quality gourmet desserts.

Your Business will offer a variety of Cookie Co.™ Products and other menu items to the general public, and you will have to compete with other retail cookie and dessert Businesses, grocery stores, retail and apparel outlets, Internet, catalogs, and other outlets, including other Cookie Co.™ Businesses operated by us, our franchisees and Affiliates. Some of these competitors may be more established or more widely known than Cookie Co.™

The retail cookie and dessert business is a fast growing market and highly competitive. It can be affected significantly by many factors, including local, regional, or national economic conditions, changes in consumer tastes, consumer concerns about the nutritional quality of quick-service food, dietary trends, and increases in the number of, and particular locations of, competing businesses and Cookie Co.™ Businesses. Various factors can adversely affect the industry, including weather conditions; inflation; increases in ingredient input, food, labor, and energy costs; the availability and cost of suitable real estate sites; fluctuating interest and insurance rates; state and local regulations and licensing requirements; the availability of ingredients, food items, real estate properties and an adequate number of hourly-paid employees; local and/or national disaster; terrorism; pandemic and other factors that may affect Business or retailers in general. In addition, other Business chains with greater financial resources have similar concepts. You must compete for potential customers for your Business. In addition, you will have to compete with other businesses for a suitable location, managers, and employees.

You should consider that certain aspects of any business are regulated by federal, state, and local laws, rules, and ordinances in addition to the laws, regulations, and ordinances applicable to businesses generally, such as the Americans with Disabilities Act, Federal Wage and Hourly Laws, and the Occupational Safety and Health Act. The Environmental Protection Agency, the U.S. Food and Drug Administration, the U.S. Department of Agriculture, the National Restaurants Association well as state and local environmental and health departments and other agencies have laws and regulations concerning the preparation of food and, specifically, the bakery industry, and sanitary conditions of business facilities. Local agencies routinely conduct inspections for compliance with these requirements. Under the Clean Air Act and state implementing laws, certain state and local areas are required to attain, by the applicable statutory guidelines, the national quality standards for ozone, carbon monoxide and particulate matter. Certain provisions of these laws impose limits on emissions resulting from commercial food preparation. In addition, some states may require you to obtain business, occupational, food products, and miscellaneous licenses. Some states also have laws regarding who may secure these licenses. You may also have to obtain health licenses and comply with health laws and regulations that apply to Business and food product sales establishments. We urge you to make inquiries about these laws and regulations.

ITEM 2. BUSINESS EXPERIENCE

Founder and Chief Executive Officer: Elise Thomas

Elise Thomas is the Founder of both Cookie Co.TM and of, our Affiliate, Cookie Corner, LLC. Ms. Thomas has also been a member/manager of Cookie Co.TM since its inception. She has also been a member/manager of Cookie Corner, LLC since August 2019. Ms. Thomas is also the head baker at our flagship location in Redlands, CA. She has been in this position since August 2019.

Co-Founder and President: Matt Thomas

Matt Thomas is the co-founder of both Cookie Co.TM and of, our Affiliate, Cookie Corner, LLC. Mr. Thomas has also been a member/manager of Cookie Co.TM and Cookie Corner, LLC since their inception. Prior to that, he was a marketing consultant from 2015 to 2019.

Chief Operating Officer: Ivan Smith

Ivan Smith is the COO of Cookie Co.TM He is also a member/manager of Cookie Co.TM Mr. Smith is also the owner of Skin Science Institute and has been in this position since 2012. Prior to that, he operated several Big O' Tire Stores.

Vice President of Operations & Strategic Expansion: Stefanie Magalei

Stefanie Magalei is our Vice President of Operations & Strategic Expansion and has been since July 2021. Prior to that, she was an Area Leader of Restaurants for Raising Canes Chicken Fingers from 2018 to 2021. Prior to that, operated Training Restaurants at Texas Roadhouse and California Pizza Kitchen for 16 years.

ITEM 3. LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4. BANKRUPTCY

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

ITEM 5. INITIAL FEES

Initial Franchise Agreement

You must pay an initial franchise fee (the "**Franchise Fee**") of twenty-five thousand dollars (\$25,000), which is due and payable when you sign a Franchise Agreement for your Business. The Franchise Fee represents payment to us for the right to use the Cookie Co.TM Marks, recipes and the Cookie Co.TM System in the development and operation of your Business. The Franchise Fee also covers the cost of certain services that we and our Affiliates may provide to you before your Business opens, such as prototypical plans, marketing materials and training. The Franchise Fee is fully earned upon payment and is non-refundable. You must pay the Franchise Fee in a lump sum upon your signing of the Franchise Agreement. If you purchase a Cookie Co.TM Business and Franchise Agreement

from another franchisee, you or the selling party must pay to us prior to the effective date of the transfer our then-current transfer fee, which at the time of this Disclosure Document is \$10,000.

After a Franchise Agreement has been signed, the Franchise Fee is not refundable in whole or in part. The twenty-five-thousand-dollar (\$25,000) Franchise Fee is uniform to all franchisees currently purchasing a franchise.

At Cookie Co.TM, we take training and your role in the training process very seriously. We do not offer refunds of the Franchise Fee under any circumstances.

Area Development Agreement

Although our franchises are site-specific and we do not automatically or by default grant territories for development, we may in some instances enter into an Area Development Agreement with a qualified franchisee who wishes to develop multiple Businesses within a certain length of time after signing a Franchise Agreement.

Under the Area Development Agreement, you must pay, when you sign the ADA, a development fee of five thousand dollars (\$5,000) (the “*Development Fee*”) for each Cookie Co.TM Business to be opened under the Development Schedule. The number of Cookie Co.TM Businesses that you may develop under a particular ADA is determined by mutual agreement. The number of Cookie Co.TM Businesses will vary depending upon a variety of factors, including: (1) existing population and anticipated population growth within the Development Area; (2) competition within the Development Area; (3) the availability of acceptable locations; (4) the number of Cookie Co.TM Businesses we estimate can be developed within the Development Area; and (5) the number of then-operating Cookie Co.TM Businesses within the Development Area.

The ADA and the Franchise Agreement are signed simultaneously, and you must pay the Development Fee and the Franchise Fee at that time. You will pay the then-current Franchise Fee for each of your subsequent Businesses at the time you sign the then-current form of the Franchise Agreement for those Business.

The Franchise Fee associated with each Cookie Co.TM Business you are required to develop under an ADA is based on the Franchise Fee described in the then-current Franchise Disclosure Document. We will apply five thousand dollars (\$5,000) of the previously paid Development Fee under the ADA against the Franchise Fee payable under each subsequent Franchise Agreement entered under the terms of the ADA. However, no portion of the Development Fee is refundable under any circumstances.

Other Initial Fees

Before opening your Business, you must purchase certain products from us or our Approved Suppliers, including initial inventories of mandatory branded clothing, uniforms, marketing materials and similar items. We estimate that these initial fees will range from \$13,000 to \$35,000. As more fully described in Item 7 below, you must also order and purchase or lease all required equipment, furnishings, fixtures and signs for your Business. Once you have executed the lease for your site, we will work with you to secure from our approved vendors, the required equipment, furnishings, fixtures and signs for your Business. You must make payment, including setting up any escrow or other account that may be required by third-party vendors from which vendors are to be paid, within 30 days of receiving bids from the various approved vendors, in the total amount necessary for the required equipment, furnishings, fixtures and signs. We estimate that the total cost of this will range from \$59,000 to \$180,000 for all of the décor and furniture, as well as the initial inventories of mandatory branded clothing, uniforms, marketing materials and similar items you need to open your Business. You must also pay all costs related to travel and accommodations for the mandatory introductory training for your Owners, Operating Partner/general manager and preparation cook. The cost of the actual training is included in the Franchise Fee.

As further described in Item 7 below, you will prepare and furnish to us an opening advertising and promotional plan and budget for the Business which will contain a plan and budget for publicity, advertising, promotion, staffing, decoration and operation during the Opening Period (“**Grand Opening Plan**”). You must submit a Grand Opening Plan (including the budget) to us for approval at least 90 days before your Business’s targeted opening date. You must use the types of advertising media specified in the Grand Opening Plan and the Operations Manual. You must spend not less than Ten Thousand Dollars (\$10,000) for advertising and promotion of the opening of the Business (the “**Grand Opening Expenses**”). Those expenses will be for materials and marketing services expenses, such as media cost, and will not include staffing, discount or food costs. You must submit proof of then-current advertising and marketing expenditures to us 21 days before the opening of your Business and again 60 days after opening. Your Grand Opening Plan must be implemented 45 days before your Business’s targeted opening date and for 60 days following the commencement of the Business’s operation. In our sole and absolute discretion, we may require that you pay to us or to an account designated by us the amount of \$10,000 any time after ninety (90) days prior to your scheduled opening date for the purpose of ensuring and verifying the implementation of the Grand Opening Plan and the proper use and payment of the Grand Opening Expenses in accordance with our then-current policies and procedures.

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ITEM 6. OTHER FEES

Type of Fee	Amount	Due Date	Remarks (See Note 1)
Royalty Fees	8% of monthly Gross Revenue (Note 2)	Payable weekly	“ Gross Revenue ” is defined in <u>Note 2</u> below; Payment made by automatic withdrawal monthly (or as otherwise designated by us, but not more frequently than weekly) See <u>Note 3</u> below.
National Marketing Fund (“ NMF ”)	Up to 2% of Gross Revenue	NMF (if collected by us) payable same as Royalty Fees	“ Gross Revenue ” is defined in <u>Note 2</u> below; Payment made by automatic withdrawal monthly (or as otherwise designated by us, but not more frequently than weekly) See <u>Note 3</u> and <u>Note 4</u> below.
Local Marketing Funds (“ LMF ”)	2% of Gross Revenue to be spent by franchisee on local advertising and promotion	LMF (if collected by us) payable same as Royalty Fees	See <u>Note 3</u> and <u>Note 4</u> below.
Proprietary Ingredients	Price is established periodically by designated and approved suppliers for each type of Proprietary Ingredient	As ordered	See <u>Note 5</u> below.
Other food products and supplies	Varies	As ordered	You may purchase other food products, paper supplies, and promotional material from approved suppliers and/or in accordance with our standards and specifications. (See <u>Item 8</u> below).
Quality control programs	Varies	Ongoing	Must contribute pro-rata share of costs of any program implemented, such as interactive voice response, Internet surveys, customer satisfaction measurement, “customer intercept,” mystery shopping or other programs we may implement. See <u>Note 6</u> below.
Late payments	\$100 per delinquent payment	Immediately	See <u>Note 7</u> below.
Late reporting fee	Varies; as of the date hereof, \$25 per report per day, but subject to change at our discretion	When the report becomes delinquent	See <u>Note 7</u> below.
Interest expenses	Will vary under circumstances	Immediately	See <u>Note 8</u> below.
Fee for insufficient funds in bank account	Reimburse bank charges plus pay \$25 administration fee	Within 14 days’ notice from us of the insufficient funds	Applies to any insufficient fund payment made by electronic transfers or checks to us or our Affiliates.
Alternative supplier evaluation & approval fee	\$1500 plus reasonable costs and expenses	Upon receipt of our bill	We may impose reasonable inspections and supervision fees to cover our costs in evaluating and maintaining alternative

Type of Fee	Amount	Due Date	Remarks (See Note 1)
			brands or suppliers you propose in accordance with the Franchise Agreement.
Audit	Cost of audit plus interest at 1.5% per month or the highest legal rate on any underpayment.	15 days after receipt of audit or inspection report	See Note 9 below.
Site selection costs	Our reasonable expenses, which are expected to range between \$500 and \$2,000.	As incurred	Must reimburse us for our reasonable expenses, including the costs of travel, meals, and lodging incurred in site evaluation for each visit after the initial visit. The expenses associated with site evaluation will not be refundable and will vary depending on various factors. See Note 10 below.
Lease review fee	Varies	As incurred (if collected by us)	We may impose this fee for payment in an amount equal to the market rate for similar services.
Travel and accommodation expenses and training materials fee for the mandatory introductory training	Will vary	As incurred	The cost for the mandatory introductory training is included in the Franchise Fee, but Franchisee must pay the attendant expenses. See Note 11 below.
Additional training or assistance and refresher training	Will vary under circumstances	As incurred	See Note 11 below.
Interim management fees	10% of Gross Revenue	As incurred, at the end of each management period month.	See Note 12 below.
Insurance	Amounts imposed by insurance companies	As incurred	See Note 13 below.
Maintenance costs	Will vary under circumstances	As incurred	See Note 14 below.
Attorneys' fees and other costs	Will vary under circumstances	As incurred	See Note 15 below.
Indemnification	Will vary under circumstances	As incurred	See Note 16 below.
Transfer Fee	Greater of \$10,000 per Business transferred or the transfer fee stated in our then-current Franchise Agreement. This is in addition to any other agreements with us or our Affiliates and payment of all of our costs associated with the transfer.	Upon sale or transfer	Except in the case of a transfer to a corporation formed solely for the convenience of ownership, you must pay us a transfer fee.
Renewal Fee	Greater of \$7,500 or then-current Franchise Fee less the amount paid to us as an initial Franchise Fee	30 days before expiration of the original franchise term, concurrent	Renewal Fee is for an additional franchise term at the same site under a new Franchise Agreement. See Note 17 below.

Type of Fee	Amount	Due Date	Remarks (See Note 1)
		with the signing of a new Franchise Agreement	
Relocation Fee	\$5,000 or more	Payable before relocation	See <u>Note 18</u> below.
Standard POS hardware, software, support, and system training	Will vary under circumstances	As incurred	See <u>Note 3</u> and <u>Item 7</u> below.

Explanatory Notes:

You must pay these fees to us except as explained below. If we do not actually receive your payments on the due date, they will be deemed delinquent. During the course of developing and operating your Business, you also must purchase various items from designated and approved suppliers or in accordance with our standards and specifications. See **Item 8** below for an explanation of these requirements.

Specific Notes:

Note 1. *Except as noted, all fees listed in the above table are payable to Cookie Co.™ and are non-refundable. Costs of products and supplies are subject to change periodically, except as otherwise provided in the Franchise Agreement.*

Note 2. **“Gross Revenue”** means the total of all receipts derived from any source related to, or in connection with, the operation of your Business. Without limiting the generality of the foregoing, this definition includes, without limitation the following:

- all revenue accrued from the performance of services and the sale of products in, at, upon, about, through or from the Business, online or any other marketplace;
- all forms of consideration, including, without limitation, cash, credit (regardless of collection), payment in kind, fair market value for any service or product you receive in barter or exchange for your services, and any other type of benefit, value or remuneration that you receive (or defer to receive in the future); and
- insurance proceeds and/or condemnation awards for loss of sales, profits or business.

Notwithstanding the foregoing, "Gross Revenue" shall not include revenues from any sales taxes or other add on taxes collected from customers by Franchisee for transmittal to the appropriate taxing authority, gratuities paid by customers to Franchisee's employees, the amount of cash refunds to customers, customer discounts, manager-authorized and/or customer loyalty program discounts, allowances and charge-backs the Franchisee in good faith gives to customers.

Note 3. You must pay all Royalty Fees, advertising fees, information system fees and other amounts owed to us or our Affiliates by pre-authorized electronic bank transfer from your general account. You must sign and complete the form Authorization Agreement attached to the Franchise Agreement as Exhibit F or any other documentation we require to permit the electronic transfer. The pre-authorized electronic bank transfer requirements are further described in Section 6 of the Franchise Agreement and Exhibit F to the Franchise Agreement. These fees are currently payable weekly on or before the close of business on Wednesday of each week for the preceding week. We expressly reserve the right in the Franchise Agreement to change the payment frequency and due dates of these fees, provided that they will not be payable more often than weekly.

Note 4. These items include amounts paid to us or into a fund for marketing purposes and amounts generally expended by you for marketing and advertising each of your Cookie Co.™ Business. As of the effective date of this Disclosure Document, no amounts have been collected for the NMF, but we expressly reserve the right to collect them at any time. Each franchisee is required to spend for local advertising and promotion of its Business those amounts we periodically establish, but no less than two percent (2%) of Gross Revenue during any period consisting of four consecutive fiscal quarters, with marketing material that must be pre-approved by Cookie Co.™. We may increase the NMF or LMF contributions above two percent (2%) (NMF and LMF) of Gross Revenue with an affirmative vote by 51% of the then-existing Cookie Co.™ Businesses.

Note 5. You must purchase Proprietary from Designated and Approved Suppliers (See **Item 8**). We may cause the Designated Suppliers and Approved Suppliers to sell you reasonable quantities of products. All other Proprietary Ingredients are sold at prices and on shipping terms established periodically by the supplier thereof.

Note 6. We may publish or disclose to other franchisees any information that is collected, produced, or maintained under any “quality control” programs in any manner or format that we deem appropriate. We also reserve the right to publish or disclose to third parties in an aggregate anonymous format any information that we collect, produce, or maintain in connection with such “quality control” programs.

Note 7. You must pay us all fees and other amounts under the Franchise Agreement when due. If you fail to do so, we have the right to charge a \$100 late fee per delinquent payment, and at our request you must pay it by way of direct debit as described in *Note 3* above. Further, you must submit all mandatory reports to us when due, as required by the Franchise Agreement. If you fail to do so, we have the right to charge a \$25 late fee per late report and an additional \$25 late fee for each day that the report continues to be delinquent, payable by direct debit at our request.

Note 8. You must pay all business debts, financial obligations, liens and taxes promptly when due. If you fail to do so, we have the right, at our option, to pay the same and then be entitled to immediate reimbursement from you. Unpaid debts owed to us bear interest from the due date until paid at the lesser of one and one-half percent (1.5%) per month or the maximum contract rate permitted by the law of the state in which your Business is located.

Note 9. You must pay the costs of the audit or inspection only if you fail to furnish us with the records and reports that we request as part of the audit, or if the audit results show an understatement of Gross Revenue of more than two percent (2%) or if the need for an audit was a result of your default under the Franchise Agreement in failing to provide records and reports in a timely manner.

Note 10. You must obtain our approval for your location. We reserve the right to charge a fee for our site selection review and approval in the range stated. After our approval, we or our designated supplier must review the lease for the location and certify it as meeting our minimum qualifications.

Note 11. No one may attend training before signing the Franchise Agreement. We provide mandatory introductory training for the Owners, Operating Partner and general manager as part of the Franchise Fee described above, at our training facility or Affiliate-owned Business in Utah, or at another facility that we designate. We have the right to charge a tuition or training fee for each additional Owner or Operating Partner or general manager that attends this introductory training program initially or in the future. Also, the initial general manager must complete a rigorous corporate training at our training facility, an Affiliate-owned Business or another facility that we designate. You will be responsible for all compensation of your employees and expenses (including training materials, travel, meals, and lodging) incurred in connection with any training, including the mandatory introductory training. Neither you nor your employees will receive any compensation from us for services performed during training.

Additional franchise Owners, general managers or investors wishing to attend this rigorous training program will pay \$2,500 per person per month. Each general manager must pass a Cookie Co.™ certification test at the end of the two-month training period. You must pay for all travel and living expenses for your trainees during these training programs.

We have the right to require you and/or previously trained and experienced general managers and employees to attend periodic refresher courses at the times and locations we designate. We reserve the right to charge for the actual training, and you must pay for all compensation, travel and living expenses for your trainees during these refresher training programs.

If the franchise is your first franchise, your Operating Partner may also function as the general manager of your initial franchise. However, upon opening your second franchise, you will need to have a separate general manager for each franchise, and an Operating Partner who oversees operations of all of your franchises.

Note 12. If we elect to manage your Business before purchasing it, as permitted by Section 15 of the Franchise Agreement, or we assume management of your Business in the case of your voluntary abandonment, as permitted by Section 14 of the Franchise Agreement, we have the right to charge a management fee of 10% of the Gross Revenue of your Business during the period of management.

Note 13. If you fail to maintain in effect any insurance required by us or to furnish to us satisfactory evidence of this coverage, we have the right to obtain insurance coverage for you on your behalf. You must then immediately reimburse us for our costs and the cost of the insurance, and sign any related documentation required by us.

Note 14. If you fail or refuse to maintain the Cookie Co.™ Business as required, we have the right to do so on your behalf and at your expense. You must then immediately reimburse us for our costs and the cost of the maintenance, and you must facilitate any repair work required by us and carried out by us or a third party.

Note 15. If we or our Affiliates prevail in any proceeding or litigation against you, you must pay the costs and attorneys' fees incurred.

Note 16. You and each of your Owners also have certain indemnification obligations to us and our Affiliates, as referenced in **Item 9** below. You must reimburse us if we incur any expense, including attorneys' fees and other costs, or are held liable for claims arising out of your franchise operations.

Note 17. **Renewal Fee:** We retain the right to charge you a fee for any renewal of your Franchise Agreement at the end of its initial term. Such Renewal Fee is equal to the greater of the then-current Franchise Fee being charged by us, less the amount you paid to us as an initial fee when you purchased your franchise, or \$7,500.

Note 18. Should it become necessary, on account of the condemnation of your Business premises or the exercise of a relocation right by your landlord or for some other reason approved by us in writing, to relocate your Business, we will consent to relocation at a site acceptable to us provided that you pay to us our then-current relocation fee (which is \$5,000 as of the date of this Disclosure Document) and satisfy all of the other conditions in **Section 3** of the Franchise Agreement. You must pay for all costs and expenses for any approved relocation of your Business.

Note 19. We will loan you one copy of each of the Operations Manuals free of charge, as further described in **Item 11**, or make it available to you on an intranet or franchisor website. You must keep this copy of the Operations Manual or provide access to it at the Premises of your Cookie Co.™ Business at all times.

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ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT				
Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is to Be Made
Franchise Fee (See <u>Note 1</u> below)	\$25,000	Lump sum	Upon signing of the Franchise Agreement	Cookie Co.™
Area Development Fee (See <u>Note 2</u> below)	\$5,000 per Cookie Co.™ Business to be opened under the Development Schedule	Lump sum	Upon signing of the ADA; will be applied to Franchise Fee upon execution of each Franchise Agreement under the ADA	Cookie Co.™
Travel and living expenses while training (See <u>Note 3</u> below)	\$2,500 - \$10,000	As incurred	As incurred during training	Employees, airlines, hotels, and Business
Real estate and tenant improvements (See <u>Note 4</u> below)	\$45,000 - \$150,000	As incurred	As arranged or incurred	Contractors, vendors
Building and design permit and professional fees (See <u>Note 5</u> below)	\$3,000 - \$15,000	As incurred	As incurred before opening	Architect, engineer, municipalities, lawyers, consultants, etc.
Business equipment including POS & computers (See <u>Note 6</u> below)	\$2,500 - \$15,000	As incurred	Upon delivery before opening	Vendors
Trade dress, woodwork, furniture, Design package, & fixtures (See <u>Note 6</u> below)	\$50,000- \$150,000	As incurred	Upon delivery before opening	Vendors
Signage	\$5,500 - \$15,000	As incurred	Upon delivery before opening	Vendors
Opening supplies & inventory (See <u>Note 7</u> below)	\$3,000 - \$20,000	Lump sum	Upon delivery before opening	Suppliers
Grand opening promotion & special assistance (See <u>Note 8</u> below)	\$10,000 - \$15,000	As arranged	Within 30 days of opening	Vendors

YOUR ESTIMATED INITIAL INVESTMENT				
Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is to Be Made
Security & utility deposits (See <u>Note 9</u> below)	\$1,000-\$10,000	As arranged	As incurred	Vendors, utility companies, landlord
Additional funds - three months (See <u>Note 10</u> below)	\$10,000 - \$30,000	Lump sum	As incurred	Vendors, employees, utilities, landlord, etc.
Totals	\$162,500 - \$460,000 (not including real estate lease costs)			

General Comments:

We have based the estimates provided in the chart above upon our Affiliate’s experience in developing and operating our flagship location in California. We do not guarantee that your costs will resemble the estimates given, and may be significantly higher than described above. You should review these figures carefully with a business adviser before making any decision to purchase the Franchise.

All payments you make to us or our Affiliates are non-refundable unless otherwise stated. Payments you make to parties other than us or our Affiliates may or may not be refundable at the option of the other party.

The estimates in the above chart do not include Royalty Fees or marketing fees payable to us during the operation of your Franchise since these fees are payable out of the Gross Revenue of your Business. See the information in **Item 6** for an explanation of the Royalty Fees and marketing fees. The estimates also do not include real estate costs because land value and leasing costs vary widely depending on location and structure.

Explanatory Notes:

Note 1. \$25,000 is the standard non-refundable Franchise Fee for a Cookie Co.™ franchise.

Note 2. \$5,000 is the development fee paid to us per Business contracted under the ADA. This fee will then be applied to the then-current Franchise Fee upon the signing of a Franchise Agreement for each subsequent Business developed under the ADA. The development fee is non-refundable.

Note 3. You must pay for any incidental expenses that you and your manager and any other trainees incur while attending our initial training program, such as car rental, gas, airline tickets, meals, hotel room, and salaries. You must also pay for any incidental expenses that Cookie Co.™ trainers incur while assisting with your Business grand opening as well as while assisting with Business site-selection or site-approval processes. These expenses may include car rental, gas, airline tickets, meals, hotel room, and salaries.

Note 4. These estimates include construction costs (labor and material) and construction management costs for typical tenant improvements and remodeling necessary to prepare a site for operation of a Cookie Co.™ Business. The total estimated initial investment does not include real estate. You must lease or purchase a location approved by Cookie Co.™ (lease, purchase, and pre-opening occupancy costs are not included in the figures in **Item**

7) and construct, remodel, alter, and improve it to Cookie Co.™'s specifications. The cost of purchasing or leasing and developing a site for a Cookie Co.™ Business will vary considerably depending on such factors as location, size, design, configuration, condition of the premises, the condition and configuration of existing services and facilities, the terms of your lease, duration of the building process (as potentially affected by delays), union labor requirements, contractors' fees, availability of materials and labor and the local real estate market. You will need to purchase or lease a space of approximately 1000 to 1500 square feet and pay for the cost of site work and/or leasehold improvements. We highly recommend a corner or end-cap location to enable drive-thru service if at all possible. You must perform or have performed any construction, remodeling or additions necessary to cause the premises to conform to applicable Federal, state, county, and city laws, ordinances, codes, and rules and regulations governing food service businesses, and that meet Cookie Co.™'s requirements for the layout, design, construction, fixtures, equipment, installation, and trade dress appearance of a Cookie Co.™ Business. If you do not currently own adequate space, you must lease the space for your Business.

We cannot estimate the amount of your monthly rental payments, since rental amounts vary greatly from site to site and are affected by several factors, including location, size, visibility, accessibility, and competitive market conditions. In addition to rental payments, your lease may obligate you to make other payments to the landlord, such as payments for shopping-center or building operating expenses, common-area maintenance expenses, food-court expenses, merchants' association assessments, assessment for shopping-center promotion and advertising, and the like. Your lease may also require you to spend a certain amount on advertising and promotion for your particular Business. You will make rental payments as directed by your landlord. Leases may also require percentage rent. If you or one of your Owners, Investors or Affiliates at any time acquires the ownership of the premises for your Business, you must immediately notify us and we may require that you or such Owner, Investor or Affiliate (1) enter into an agreement with us in recordable form granting us the right and option, in the event of a termination (for whatever reason) of the Franchise Agreement, to lease the premises at fair market rental rates for a term coterminous with the term of the Franchise Agreement for such premises; or (2) enter into a prime lease with us at fair market rental rates for a term coterminous with the term of the Franchise Agreement for such premises and a sublease with us on the same terms as the prime lease. The prime lease and sublease referenced in the preceding sentence shall be on the then-current lease and sublease forms used by us.

Note 5. Building and design permit and professional fees may vary depending on the consultants used and the fees charged by the municipalities. The design and permit fees do not include any impact fees which may be imposed by the municipality.

You may find it necessary, and we encourage you, to retain an attorney to review the real estate lease and franchise documents, or to assist in forming a corporation, partnership, or limited liability company. You may also retain an accountant for advice in establishing and operating your franchise business and filing necessary tax forms and returns. If you develop a new Business, you must also employ and pay an architect or engineer to prepare a site plan and other construction documents and specifications to comply with city, state and local building codes and to the specific site chosen for your Business.

Note 6. This estimate includes furniture, fixtures and equipment; computer, POS systems and related software, including: Business equipment; preparation, service and display counters; warmers; stoves; ovens; disposal systems; refrigerators; beverage dispensers; and any other needed equipment, including costs of installation. You must purchase the Cookie Co.™ design package elements which may include, but are not limited to, custom woodwork, custom drink station, tables, chairs, artwork and wall accessories as specified by us. These costs vary widely. See Item 11 of this Disclosure Document for more information on the POS systems and related software and hardware that meets our System Standards as of the effective date of this Disclosure Document.

You must prepare and sell all of the menu items as designated by Cookie Co.™ as part of its standard menu and provide all standard services designated by Cookie Co.™. If any special or additional equipment, fixtures, or

furniture are required to provide those services or menu items, you must acquire the specified equipment or fixtures, the cost of which may be significant to you.

You must have high-speed Internet access and these estimates include typical installation fees and service fees for three months. See **Items 8 and 11** of this Disclosure Document for more information on our right to require you to purchase, install and use computer hardware and software in the operation of your Business.

Note 7. This estimate includes a supply of initial food and beverage products for use and sale at the Business, including baking supplies, cleaning supplies, paper and packaging supplies, beverage cups, report forms, marketing and point of sale materials.

Proprietary Ingredients must be purchased from our Designated Suppliers. (See **Item 8** below.) Other items must be purchased from Approved Suppliers or other suppliers that we approve. (See **Item 8** below.) All items purchased must meet our quality standards. (See **Item 8** below.)

Note 8. As explained in more detail in **Item 5** of this Disclosure Document, you must spend at least \$10,000 on a grand opening advertising and promotional program approved by Cookie Co.™, and we suggest that you spend as much as necessary to facilitate a successful grand opening. At least a portion of this amount must be paid to us or our Affiliates to cover the cost of the materials that we develop and provide to you for the grand opening programs. You may also incur expenses from us or other vendors and suppliers in conducting your grand opening promotion. (Costs involving the training of personnel in your grand opening and food that is served during the grand opening do not count toward this \$10,000 spending requirement.)

Note 9. You might need to pay deposits for utilities and your property. Deposits for utility services and your property are typically required at the time the service is applied for, and may or may not be refundable. The amount for deposits can vary significantly in different areas, and you should verify specific amounts with local utility companies and the landlord.

Note 10. This estimate includes working capital for the first three months and includes general operating expenses, such as lease payments, inventory, payroll expenses, facility expenses, insurance, pest control, security, repairs, and maintenance and complimentary sales, store-level employee wages and benefits, point-of-purchase collateral, other marketing costs, maintenance, linens, cleaning and office supplies, leased equipment, occupancy expenses, credit-card processing fees, and other costs. This estimate does not include salaries and expenses during training of your Operating Partner (described in **Item 15** below) whose training is required by the Franchise Agreement and/or the Area Development Agreement. Because you and/or your Operating Partner and your other personnel for your Business, as well as personnel in management positions and personnel that will work in more than one Business, are required to complete our training program before opening your first Business (see **Item 11** below), these expenses are included for your first Business. Consequently, the additional funds necessary for your first Business tend to be on the high end of the estimated range, while the additional funds required for subsequent Business that you open may be lower. Your costs may depend upon factors such as how well you follow Cookie Co.'s.™ methods and procedures; the amount spent and effectiveness of your grand opening marketing activities; your management skill, experience, and business acumen; local economic conditions; the time of the year your Business is opened; the demand for the Business's products in your area; the prevailing wage rates; competition; and the sales level reached during the initial period. These estimates also do not take into account the finance charges, interest and related costs you may incur if any portion of your investment is debt-financed. These figures are estimates, and we cannot promise that you will not have additional expenses in starting your Cookie Co.™ Business.

Except as otherwise noted, none of these payments are refundable. These payments are only estimates, and your costs may be higher, depending on your particular circumstances. In geographical areas where we have no Cookie Co.™ Business or have no significant experience regarding openings of Affiliate-owned or franchised

Business, the foregoing estimated initial investment may be less reliable and you may have to make a greater investment, depending on the circumstances. You should review these figures carefully with a business advisor, accountant, or attorney before making any decision to purchase a franchise. We do not offer any financing for your initial investment or any other items. The availability and terms of financing with third-party lenders will depend on factors such as the availability of the financing generally, your credit-worthiness and policies of lending institutions concerning the type of business to be operated.

If you purchase an existing Affiliate-owned Cookie Co.™ Business, you may have to make a greater or smaller investment, depending on the circumstances, than the estimated initial investment shown above. The price and terms of payment for such Cookie Co.™ Businesses will be established by mutual agreement. We do not have sufficient experience with non-traditional locations to be able to estimate the initial investment for those locations.

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ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Generally

The appearance, set-up, décor, recipes, preparation techniques, processes, formulations, and specifications for all Cookie Co.™ Businesses and Products are trade secrets belonging exclusively to us. To ensure that high and uniform standards of quality and service are maintained, you must operate your Cookie Co.™ Business in strict conformity with our methods, standards and specifications as described below. You must purchase or lease those furnishings, fixtures, signs, equipment, ingredients, and certain other branded uniforms and apparel, merchandise, marketing collateral and other promotional products bearing the Marks, as may be specified in the Operations Manual and only from us or from our approved suppliers or distributors before and after you open your Business. To ensure these high and uniform standards, we require that 100% of your purchases in the establishment of your Cookie Co.™ Business be made from our approved suppliers, vendors or distributors. Once you are open for operations, approximately 90%-95% of your purchases will be required purchases.

We may, in the future, require you to carry an inventory of branded clothing items, such as T-shirts, hats and other branded merchandise, for sale at your Business. You must purchase these items from us or our designated suppliers, and we may receive compensation for these purchases, either in the form of a per-item rebate or upcharge, or volume-based commission. These items may also be sold by us or our suppliers online or directly to consumers.

In operating your Business, you must use only the soft goods, small wares, utensils, cleaning supplies, novelty items and other miscellaneous items that we require and have been approved for Cookie Co.™ Business, as meeting our specifications and standards for quality, appearance, function and performance. Except as stated in this **Item 8**, you may purchase these items from any supplier who can satisfy our standards and specifications. We give these standards and specifications to our suppliers, and they are also contained in the Operations Manuals, our corporate intranet (currently, <http://www.officialcookieco.com>), and other written or electronically transmitted communications and materials that we may give to you.

We have the right, in addition to any amounts received from suppliers or distributors as described in this **Item 8**, to receive rebates, marketing fund contributions or other payments from suppliers, distributors and other service providers based (directly or indirectly) on sales to you and our Affiliates (the “**Rebates**”). These payments may range from less than one percent (1%) up to 15% or more of the amount of those purchases by you. We do not negotiate purchase arrangements from suppliers or service providers for the benefit of franchisees. We have not received any such rebates as of the Effective Date of this Disclosure Document

There are no suppliers in which an officer of the Franchisor owns an interest.

Ingredients and Other Products

The cookies and other products sold at Cookie Co.™ Businesses are distinctive as a result of being made with proprietary and uniquely specified and sourced ingredients (e.g. the combination of ingredients from which the distinctive Cookie Co.™ cookies and products are made), which are manufactured or produced according to proprietary processes or are sourced or stocked per our requirements. The ingredients and preparation methods are all integral components of the Cookie Co.™ franchise and are inextricably interrelated with the Marks and the System. You, therefore, will be required to purchase all of your Proprietary Ingredients and products from suppliers, including us, our Affiliates or an independent third party, whom we authorize to manufacture Proprietary Ingredients (“**Designated Suppliers**”).

Further, you must purchase certain other ingredients and products from suppliers, including us, our Affiliates or an independent third party, whom we authorize to manufacture or provide licensed or non-proprietary ingredients

and products (“*Approved Suppliers*”), subject to your right to propose an alternative Approved Supplier for our approval as discussed below and set forth more fully in the Franchise Agreement.

We reserve the right to designate any ingredient as a Proprietary Ingredient. Products not designated as Proprietary Ingredients are referred to as “Licensed Ingredients.” Designated and Approved Suppliers have the right to profit from the sale of products and ingredients. We do not act in any fiduciary capacity for you in our relationship with any Designated or Approved Suppliers; however, we do negotiate contracts for use by and binding upon all franchised and Affiliate-owned Cookie Co.TM Business.

Provided you and your Affiliates are in compliance with the Franchise Agreement and all other agreements with us and our Affiliates, we will cause Designated and Approved Suppliers to sell reasonable quantities of products and ingredients to you in accordance with the terms of the Franchise Agreement. All Proprietary Ingredients as well as all other ingredients and products are sold at prices and on shipping terms established and changed by the supplier. Designated and Approved Suppliers may establish credit terms, if any, as deemed appropriate. All Affiliate-owned Businesses pay the same prices to vendors as franchised Business.

If you desire to procure authorized Licensed Ingredients from a supplier other than one previously approved or designated by us, you shall deliver written notice to us of your desire to seek approval of the supplier. We will use our good faith efforts to notify you in writing of our decision within 30 days after our receipt of product samples from the proposed alternative supplier and other requested information. However, if we have not notified you in writing within such 30-day time period, the proposed supplier will be deemed disapproved by us. We are not required to approve any supplier. We may also determine that certain Licensed Ingredients (e.g. beverages) shall be limited to a designated brand or brands set by us. We may revoke our approval upon the alternate supplier’s failure to continue to meet any of our criteria.

You or the proposed distributor or supplier shall pay to us in advance all of our reasonably anticipated costs in reviewing the application of the Alternate Approved Supplier and all current and future reasonable costs and expenses, including travel and living costs, related to inspecting, re-inspecting and auditing the Alternative Approved Suppliers’ facilities, equipment, and food products, and all product testing costs paid by us to third parties. We have the right to monitor the quality of services provided by Alternative Approved Suppliers in a manner we deem appropriate and may terminate any Alternative Approved Supplier who does not meet our quality standards and specifications, as may be in effect at the time.

Purchase Arrangements/Cooperatives

We may, in the future, attempt to negotiate purchase arrangements with third-party suppliers (including price terms). In doing so, we seek to benefit and to promote the overall interests of all Cookie Co.TM Businesses, including those owned by franchisees, our franchise system and our interests as the franchisor. We do not provide material benefits (e.g. renewal or additional franchises) to a franchisee based on its use of Designated or Approved Suppliers. Additionally, all Affiliate-owned Business pay the same prices to vendors as franchised Business.

There are currently no franchisee purchasing or distribution cooperatives.

Specifications, Standards, and Procedures

Each aspect of the interior and exterior appearance, layout, décor, trade dress, services, and operation of your Cookie Co.TM Business is subject to our specifications and standards. You must comply with all mandatory specifications, standards, and operating procedures (whether contained in the Cookie Co.TM Operations Manual or any other written communication) regarding the appearance, function, cleanliness, and operation of all Cookie Co.TM Businesses, and any changes or updates that we may require from time to time.

Standardized Accounting Process and Reporting Requirements

You must establish and maintain bookkeeping, accounting, record-keeping and data-processing systems conforming to the requirements and formats that we prescribe, including, without limitation, a common chart of accounts and methodology, submission process and timeline, and you must use the operational data control system approved by Cookie Co.TM as further detailed in the Operations Manual. You must furnish us periodic reports, which include and are not limited to, monthly gross revenue reports and monthly profit and loss statements. You must provide such periodic reports in a timely manner as noted in the Franchise Agreement. All financial reports must be prepared in accordance with generally accepted accounting principles (GAAP) in the United States of America.

Computer Hardware and Software

You must use a standard point-of-sale (“*POS*”) system and all POS modules approved by us and used by us and other franchisees to ensure System Standards. We will appoint the supplier that meets our standards and specifications, and you must enter into the necessary contracts to procure and operate such POS system. We can change our approved supplier at any time. We will have full and independent access to any and all data generated from this POS system.

At this time, you must record all sales on computer-based cash registers that are fully compatible with our computer systems and include seamless information interface capability of fully integrating electronically into our centralized computer system.

We also require you to purchase a back-office computer system with the appropriate hardware and software. You must purchase the appropriate accounting, word-processing, spreadsheet, Internet browser, anti-virus, firewall, spyware protection and any other software we may choose to require. The cost of purchasing or leasing the necessary POS, computers and software programs ranges from \$2,500 to 7,500.

Insurance

You must maintain in force the following insurance coverages: (a) property coverage that includes all-risk property insurance, including fire and extended coverage, vandalism, and malicious mischief insurance, for the replacement value of your Cookie Co.TM Business and its contents, including business interruption insurance; (b) commercial general liability and product liability insurance that includes food-borne illness coverage; (c) commercial auto insurance; (d) workers’ compensation insurance; and (e) umbrella liability. All insurance policies must: (1) be issued by carriers with an AM Best rating of A-, X, or better; (2) be written at the minimum amounts of coverage; (3) name Cookie Co.TM Franchising, LLC, and our Affiliates as additional insureds under the general liability, products liability and commercial auto policies and loss payee under the property policy; and (4) Cookie Co.TM Franchising, LLC, must be endorsed to all policies noted above to receive 30 days’ notice of cancellation in the event of non-renewal and 10 days’ notice in the event of nonpayment of premium. You must also provide certificates of insurance evidencing your insurance coverage in compliance with these minimums no later than 10 days before your Business opens and within 30 days each year when your policies renew.

Listed below are types of minimum coverage amounts that we currently require for each franchised Cookie Co.TM Business per location:

COMMERCIAL GENERAL LIABILITY:

Occurrence Limit	\$1,000,000
General Aggregate Limit:	\$2,000,000

Products/Completed Operations Aggregate Limit:	\$2,000,000
Personal and Advertising Injury Limit:	\$1,000,000
Damage to Premises Rented to You:	\$1,000,000
Food Borne Illness Limit:	\$300,000

AUTOMOBILE LIABILITY:

Bodily Injury and Property Damage Combined Single Limit:	\$1,000,000
Hired and Non-Owned Liability Limit:	\$1,000,000

WORKERS' COMPENSATION:

Workers' Compensation:	STATUTORY
Employer's Liability:	\$1,000,000 per employee, bodily injury by disease; \$1,000,000 policy limit, bodily injury by disease; \$1,000,000 per employee, bodily injury by accident

UMBRELLA LIABILITY:

1 to 10 Business:	\$5,000,000 each occurrence (minimum) \$5,000,000 aggregate (minimum)
11-25 Business:	\$10,000,000 each occurrence (minimum) \$10,000,000 aggregate (minimum)
26 or more Business:	\$15,000,000 each occurrence (minimum) \$15,000,000 aggregate (minimum)

Upon 30 days' prior notice to you, we may increase the minimum insurance requirements and require different or additional kinds of insurance at any time, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. You must submit to us, before the Business opens, and annually thereafter, a copy of the certificate evidencing each required insurance policy. If you at any time fail or refuse to maintain in effect any insurance coverage required by us, or to furnish satisfactory evidence of it, we, at our option and in addition to our other rights and remedies under the Franchise Agreement, may, but need not, obtain this insurance coverage on your behalf, and you must promptly sign any application or other forms or instruments required to obtain any insurance and pay to us, on demand, any costs and premiums incurred by us. At our request, you must furnish us with evidence of insurance coverage and payment of premiums as we require.

Your obligation to maintain insurance coverage is not diminished in any manner by reason of any separate insurance we may choose to maintain, nor does it relieve you of your obligations under Section 16B of the Franchise Agreement.

Real Estate Requirements

You must locate a site for your Business that is approved by us, and you may not sign a lease for the site until we have given our approval in writing. We approve locations on a case-by-case basis, considering items such as size, appearance, and other physical characteristics of the site, demographic characteristics, traffic patterns, competition from other businesses in the area (including other Cookie Co.TM Businesses) and other commercial characteristics, such as purchase price, rental obligations and other lease terms. We will assist you with a list of site criteria to help you locate a suitable site. Our approval of the Site, however, does not and cannot provide any guarantee or representation that the site or your Business will be successful. You may be required to pay for any incidental expenses that Cookie Co.TM personnel incur while assisting with Business site-selection or site-approval processes. These expenses may include car rental, gas, airline tickets, meals, hotel room, and salaries.

If you or one of your Owners, Investors or Affiliates at any time owns the premises for your Business, you must immediately notify us, and we may require that you or such Owner, Investor or Affiliate (1) enter into an agreement with us in recordable form granting us the right and option, in the event of termination (for whatsoever reason) of the Franchise Agreement, to lease the premises at fair market rental rates for a term coterminous with the term of the Franchise Agreement for such premises; or (2) enter into a prime lease with us at fair market rental rates for a term coterminous with the term of the Franchise Agreement for such premises and a sublease with us on the same terms as the prime lease. The prime lease and sublease referenced in the preceding sentence shall be on the then-current lease and sublease forms used by us.

You must construct and develop your Business at your own cost and expense. You must develop your Business in accordance with such exterior and interior materials and finishes, dimensions, design, image, interior layout, decor, fixtures, furnishings, equipment, color schemes and signs consistent with System products and Marks. We will provide you with all required construction plans and specifications to suit the shape and dimensions of your site. You must work with our approved architects and construction companies. All construction plans and specifications must be approved by us before construction begins.

You may only display at your Business the signs, emblems, lettering, logos and display materials that we approve in writing. We have the right to install all required signs at the Business premises at your expense, although our current practice is to require you to install the signs.

We estimate that the cost of required purchases of products, supplies, fixtures, furnishings, equipment, signs and leases from approved suppliers or designated suppliers, or otherwise will represent 90% or more of your overall purchases of these items in operating the Business.

Website

You may not promote, offer, or sell any products or services relating to your Business, or use any of the Marks, through the Internet without our consent. You must acknowledge that Cookie Co.TM is the lawful, rightful, and sole owner of www.officialcookieco.com domain name and unconditionally disclaim any ownership interest in any similar phrase or any similar Internet domain name. You and your Owners agree not to register any Internet domain name in any class or category that contains the words Cookie Co.TM or Cookie Corner or any abbreviation, acronym, combination, derivative, or variation of those words that would cause a likelihood of confusion with the Cookie Co.TM brand.

You will use the Cookie Co.TM franchise website (currently www.officialcookieco.com) (the “**Franchise Website**”) in strict compliance with the standards, protocols and restrictions we include in the Operations Manual. You must implement all reasonable procedures we prescribe periodically to prevent unauthorized use and strict compliance with the standards, protocols and restrictions we include in the Operations Manual regarding the use of the Franchise Website among your Business’s Operating Partners, general managers, assistant managers, and the like.

You are to notify Cookie Co.TM when any partner or employee ceases to be affiliated or employed with your Business so we can remove their access to the Franchise Website.

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ITEM 9. FRANCHISEE’S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Section in Area Development Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Section 3	Section 3	Items 1, 5, 6, 7, 8, 11 and 12
b. Pre-opening purchases/leases	Section 3	Section 3	Items 5, 6, 7, and 8
c. Site development and other pre-opening requirements	Section 3	Section 3	Items 6, 7, 8 and 11
d. Initial and on-going training	Section 4	Section 4	Items 6, 7 and 11
e. Opening	Section 3	Sections 3 and 4	Items 5, 7 and 11
f. Fees	Sections 6 and 10	Section 2	Items 5, 6, 7, 11, and 17
g. Compliance with System Standards and other standards and policies/Cookie Co.™ Operations Manual	Sections 3, 4, 5, 7, 8 and 10	Sections 2, 4, 5 and 6	Items 6, 7, 8, 11, 13, 14, 15, and 16
h. Trademarks and proprietary information	Sections 5, 9 and 15	Sections 5 and 6	Items 8, 13, 14, and 17
i. Restrictions on products/services offered	Sections 8	Not Applicable	Items 1, 8, 14, and 16
j. Warranty and customer service requirements	Section 8	Not Applicable	Item 11
k. Territorial Development and Sales Quotas	Not Applicable	Sections 2 and 3	Item 12
l. Ongoing product/service purchases	Section 8	Not Applicable	Items 8 and 11
m. Maintenance, appearance and remodeling requirements	Sections 3, 8 and 10	Not Applicable	Items 11, 13, and 17
n. Insurance	Section 8	Not Applicable	Items 6, 7 and 11
o. Marketing & Advertising	Section 10	Not Applicable	Items 5, 6, 7, 11, and 13
p. Indemnification	Section 16	Section 5	Items 6, 13 and 14

Obligation	Section in Franchise Agreement	Section in Area Development Agreement	Disclosure Document Item
q. Owner's participation, management, staffing	Sections 3, 4, 7, 8, and 10	Sections 4 and 5	Items 11 and 15
r. Records and reports	Section 11	Section 3	Item 8
s. Inspections and audits	Section 12	Section 3	Item 6
t. Transfer	Section 13	Sections 7 and 8	Item 17
u. Renewal	Section 2	Section 2	Item 17
v. Post-termination obligations	Section 15	Section 10	Item 17
w. Non-competition covenants	Sections 9 and 15	Sections 6 and 10	Item 17
x. Dispute resolution	Section 17	Section 11	Item 17

ITEM 10. FINANCING

We do not offer direct or indirect financing to you. We do not guarantee any note, lease or other obligation which you may enter into or incur. There may be SBA financing available to assist with the purchase of these franchise rights.

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

Except as listed below, Cookie Co.TM is not required to provide you with any assistance.

Pre-Opening Assistance

Before you open your Business:

1. Designate your territory (Franchise Agreement, Section 2; Area Development Agreement, Section 2).
2. We will provide you general guidance in selecting sites. (Franchise Agreement, Section 3; Area Development Agreement, Section 3).
3. We will provide you with design plans for your Cookie Co.TM Business. (Franchise Agreement, Section 3). You must follow these plans and adapt your Business to our general specification at your expense and in accordance with your local city, state and federal laws, rules and regulations. We will also connect you with our approved architects and construction companies for you to work with in the construction, remodeling or decorating of your Business premises.

4. We will provide training to you and/or your Operating Partner and your general managers and assistant general managers. However, as described in **Item 6** above and Section 4 of the Franchise Agreement, you will be responsible for all compensation and expenses (including travel, meals, and lodging) incurred due to any training programs. This training is described in detail later in this Item. (Franchise Agreement, Section 4).

5. We will provide to you electronic access to the Cookie Co.TM Operations Manual and other confidential manuals and instructions as we may develop (Franchise Agreement, Section 4). The table of contents of the Operations Manual is attached to this Disclosure Document as **Exhibit E**, and includes the total number of pages for each section. The Operations Manual is revised periodically and may be provided to you through our intranet. you are solely responsible for any access license fees associated with use of the intranet and for obtaining all necessary hardware and software for such access.

6. We will provide you with opening operational assistance for your first Cookie Co.TM Business. (Franchise Agreement, Section 4).

Training

Before opening your Cookie Co.TM Business, you and your Operating Partner (described in **Item 15** below), and general managers must successfully complete the appropriate training program. The cost for the training is included in your Franchise Fee; however, you are responsible for paying attendant costs for all expenses, such as training materials, travel costs, lodging and meals, as well as, compensation to your employees attending the training. Your personnel must also be trained using our approved training programs and materials, as stated in the Operations Manual, as amended from time to time. All training must be completed to Cookie Co.TM's satisfaction. You must receive Cookie Co.TM official training certification before opening your Cookie Co.TM Business.

You and your Operating Partner must complete all Cookie Co.TM training, which includes both classroom/online and hands-on training covering all phases of Cookie Co.TM Business operations, including baking, food safety, equipment operation and maintenance, cost control, inventory control, and basic techniques of management. The training time periods and locations will be listed in the Cookie Co.TM Operations Manual and other materials as we deem appropriate. Currently training typically occurs at a Cookie Co.TM training Business determined by us. This location will most likely be a Cookie Co.TM Business located in California. The duration of the training is set forth in the Training Summary below. Training is currently scheduled based on a mutually agreed upon schedule between the Operating Partner and Cookie Co.TM. Training is, generally, conducted once per month.

As of the date of this Disclosure Document, training will be conducted or supervised by Stefanie Magalei (see **Item 2** above), or various experienced members of our staff and Cookie Co.TM Business management personnel who have experience in the operation of Cookie Co.TM Businesses.

You must replace any individual who fails to successfully complete the appropriate training program(s) or who otherwise is not qualified to manage or perform the required functions at a Cookie Co.TM Business before opening your Business. We will not charge any fees for attending the training programs we are required to provide under the Franchise Agreement. However, as described in **Item 6** above, you will be responsible for all compensation and expenses (including travel, meals, lodging, and incidental expenses) incurred due to any training programs. Neither you nor your employees will receive any compensation from us for services performed during training.

Instructional materials for the training programs, the subjects covered in training and approximate hours of classroom and on-the-job training are described in the Operations Manual.

In addition to the training program, we may require you and/or your Operating Partner and other personnel for your Cookie Co.TM Business to attend and successfully complete periodic refresher or additional topical training programs. You or your Operating Partner, as well as your general managers, will be required to attend our annual

Cookie Co.TM conference each year. We do not charge any fees for the annual Conference or, but attendees are responsible for their own travel, lodging, and other incidental costs of attending.

We may at our sole discretion require or allow you to establish a certified training program (that must continue to meet our high standards) for some or all of your personnel. If any of your personnel fail to perform their duties in accordance with the certified training program you establish under our standards, they must again complete the certified training program or be terminated.

The Cookie Co.TM training course summary is as follows:

<u>TRAINING SUMMARY</u>			
<u>Subject</u>	Hours of Classroom or Online Training	Hours of Training On-The-Job	Location
General Cookie Co. TM Training/Orientation	8 - 10	0	Online/ Cookie Co. TM Location
Inventory/Ordering	1 - 2	6 - 8	Online/ Cookie Co. TM Location
Operations/Delivery services	2 - 4	25 - 30	Online/ Cookie Co. TM Location
Quality Control	1 - 2	10 - 12	Online/ Cookie Co. TM Location
Food Safety/Cleaning Processes	1 - 2	6 - 8	Online/ Cookie Co. TM Location
POS/Computers	3 - 4	10 -12	Online/ Cookie Co. TM Location
Employees/Hiring	1 - 2	6 - 8	Online/ Cookie Co. TM Location
Digital Marketing/Technology	1 - 2	2 - 4	Online/ Cookie Co. TM Location
Opening/Grand Opening	1 – 2	4 – 6	Online/ Cookie Co. TM Location

Site Selection

You select the site for your Cookie Co.TM Business, subject to our approval. If we do not accept a site you propose, you may select another site subject to our acceptance. If you enter into an Area Development Agreement with us, you must select sites within your specified geographic area as listed in your Area Development Agreement. We will provide you with our standard site-selection criteria and/or on-site evaluations of sites, as we deem appropriate.

Before you acquire, by lease or purchase, any site for a Cookie Co.TM Business, you must submit a complete site information package to us. We will review each site information package and determine whether to accept or reject the site after considering factors we deem appropriate, including the general location and neighborhood, and demographic information, traffic patterns, access, visibility, location of other Business and food establishments, size, configuration, appearance, and other physical characteristics of the site. If we do not accept the proposed site, you will be required to submit alternative sites that meet our requirements. If none of the sites you submit meet our approval and all of our mutual efforts do not result in the identification and approval of a site, we will terminate the Franchise Agreement at issue and refund your Franchise Fee.

If we accept the site, we will deliver to you a signed Site Acceptance Letter. We will use reasonable efforts to make a site acceptance decision within 30 days after we acknowledge receipt of a complete Site Information Package and any other materials we have requested. If you or one of your Owners, Investors or Affiliates at any time owns the premises for your Business, you must immediately notify us and we require that you or such Owner, Investor or Affiliate (1) enter into an agreement with us in recordable form granting us the right and option, in the event of a termination (for whatsoever reason) of the Franchise Agreement, to lease the premises at fair market rental rates for a term coterminous with the term of the Franchise Agreement for such premises; or (2) enter into a prime lease with us at fair market rental rates for a term coterminous with the term of the Franchise Agreement for such premises and a sublease with us on the same terms as the prime lease. The prime lease and sublease referenced in the preceding sentence shall be on the then-current lease and sublease forms used by us.

Neither our acceptance of the premises nor any information communicated to you regarding our standard site selection criteria for Cookie Co.TM Business or the specific location of the Business will constitute a warranty or representation of any kind, express, or implied, as to the suitability of the site for a Cookie Co.TM Business. Our acceptance of the proposed site merely signifies that we are willing to grant a franchise for a Cookie Co.TM Business at the site. Your Cookie Co.TM Business may not be relocated without first obtaining our written consent and paying a relocation fee. (Franchise Agreement, Section 3; Area Development Agreement, Section 3)

We estimate the time from the date you sign the Franchise Agreement to the date you open your Cookie Co.TM Business to be between 2 and 6 months. However, this time estimate may vary depending on numerous factors including location, construction schedules, and financing. You must complete development of and have the Business ready to open within 180 days after we give our approval of the Premises and all required construction permits and licenses. Failure to timely open will subject the Franchise Agreement to termination under the Franchise Agreement. If you have not obtained legal possession of the Premises within 90 days after receiving site approval (see Section 3 of the Franchise Agreement), we have the right to retract such approval. You must start construction of your Business within 60 days after you have leased, subleased or acquired the Premises. You must procure all applicable construction insurance in amounts and coverages acceptable to us and our approved construction companies. You must open your Business within 10 days after the date construction is completed and all necessary approvals have been obtained.

Operations Manual

We will provide you, through the Operations Manuals and other materials to be furnished or made available to you after you sign the Franchise Agreement, the standards and specifications for the fixtures, furnishings, equipment, which may also include computer hardware and software, and signs that we require and have approved as meeting our specifications and standards for quality, design, appearance, function and performance and which you must use (Franchise Agreement, Sections 3 and 8; and also **Item 8** of this Disclosure Document). At our option, we will furnish or make available to you these items in the form of electronic copies, or electronic copies accessed through the Internet, Cookie Co.TM Intranet, or other communication systems.

Point-of-Sale System

In operating your Business, you must purchase and use the number of POS system terminals necessary for the size of your Business. Currently, we require all Cookie Co.TM franchisees to use the same POS system to ensure accurate and accessible sales reporting and other information. While the POS system is software-based, the required hardware equipment is bundled and sold as part of the system and includes touch-screen monitors, credit card reader, network router/firewall, network switches, cash drawer, and receipt printers. It may also include handheld or mobile point-of-sale tablets. Technical support for the first year of ownership is included as part of the monthly package price. The POS system is a platform for order taking, inventory control, labor scheduling and tracking, and back-office reporting. A variety of financial reports and Business metrics can be produced by the system and conveniently accessed by authorized users. See **Item 8** of this Disclosure Document for more information. In the future, you must

make and pay for all hardware and/or software upgrades to your POS system that we may require. In addition, we have the right to independently access the information and data you collect and gather. We currently require that you have access to the Internet to operate your POS system, submit reports, including profit and loss statements and gross revenue reports, for your Business to us electronically via the Internet. We also have the right to require you, at your sole expense, to upgrade any required computer hardware and software to meet our then-current standards and specifications. There is no limitation on the frequency and cost of this requirement. We also have the right to independently access the information and data you collect and gather using any required computer hardware and software.

Assistance After Opening

We will provide the following assistance during the operation of your Cookie Co.™ Business:

1. We will provide periodic guidance to you with regard to the System, including improvements and changes. (Franchise Agreement, Section 4).
2. We will periodically modify the Cookie Co.™ Operations Manual to reflect changes in standards, specifications, and operating procedures. (Franchise Agreement, Section 4).
3. We will periodically issue specifications, standards, methods, and operating procedures for Cookie Co.™ Business. (Franchise Agreement, Section 8).
4. We will sell (or cause our Affiliates, Designated Suppliers or Approved Suppliers, as applicable, to sell) to you Proprietary Ingredients, Licensed Ingredients, and other products and services as described in **Item 8**. (Franchise Agreement, Section 8).
5. We, at our discretion, may administer marketing and advertising funds for the development of advertising and related programs and materials. (Franchise Agreement, Section 10).
6. We will provide periodic and on-going training programs for you and/or your Operating Partner (described in **Item 15**) and a limited number of your general managers. However, as described in **Item 6**, you will be responsible for all compensation and expenses (including travel, meals, and lodging) incurred due to any training programs, and we may charge a fee for such additional training. This training is described in detail in this **Item 11**. (Franchise Agreement, Section 4).
7. We, at your request or at our discretion, may provide you with guidance for establishing your own certified training programs for certain personnel, provided that you may not train any personnel until we have certified your training program as meeting our standards, which certification may be revoked if your training program does not continue to meet our standards. (Franchise Agreement, Section 4).

Computer Disruptions

Computer systems are vulnerable to disruptions in varying degrees to computer viruses, spyware, bugs, Trojans, power disruptions, communication line disruptions, Internet access failures, Internet content failures, date related problems, and attacks by hackers and other unauthorized intruders. You must take reasonable steps so that these disruptions will not materially affect your business. We are not obligated to provide such protection or support. We do not guarantee that information or communication systems that we or others supply will not be vulnerable to disruptions. It is your responsibility to protect your customer data, proprietary information, computer systems, POS systems, and all other hardware and software from these disruptions. You should also take reasonable steps to verify that your lenders, landlords, customers, and government agencies on which you rely, have reasonable protection.

This may include taking reasonable steps to secure your systems (including firewalls, software updates, password protection, anti-virus, and spyware protection systems and software), and to provide backup systems.

Marketing

Local Marketing Funds

You must spend the amounts specified in **Item 6** above for local advertising and promotion of each of your Cookie Co.TM Businesses. These amounts spent on local advertising and promotion will be designated as Local Marketing Funds (“**LMF**”). At our request, you must furnish us with copies of invoices and other documentation evidencing your expenditures for LMF. If we determine, at some later date, that you spent less than the required amount during the then most recently completed four consecutive fiscal quarters for locally advertising and promoting your Business, we may collect LMF contributions directly. We will provide you with at least 30 days’ notice if we change the amount of the LMF you must spend. If we collect LMF contributions directly from you, LMF contributions will be payable at the same time as the Royalty Fees. (At our discretion, the funds may be electronically drafted or transferred.) The LMF monies will be used to pay for the cost of implementing local marketing plans developed by you and approved by us or, if we collect LMF contributions from you, to reimburse you (up to an amount not to exceed the LMF contributions so collected) for the costs you incur in implementing local marketing plans developed by you and approved by us.

National Marketing Fund

We may, in our sole discretion, establish and administer a National Marketing Fund (“**NMF**”) for the creation and development of creative materials and programs to increase brand awareness, marketing, advertising, and related programs and materials, including electronic, print, radio, television, and outdoor media as well as the planning and purchasing of national and/or regional media, including electronic, print, radio, television, and outdoor advertising, or other media vehicles (“**Marketing**”). We will use national and regional advertising agencies as well as our in-house marketing personnel as we deem appropriate. At our discretion, the NMF may also pay for consumer research and the production and deployment of Marketing materials. We reserve the right to have our Affiliate or a related entity manage this fund. If not covered by NMF, each Business, whether Franchise-owned, company-owned, or company-affiliated, shall be responsible for its pro rata share (or, if applicable, on a use basis), on a per Business basis, of the actual production costs and fees (such as print ad fees) of the Marketing materials, which can be paid by dollars contributed to LMF. Cookie Co.TM Businesses owned by us and our Affiliates shall contribute to the NMF on the same basis as the then-current rate for franchisees. You must contribute to the NMF amounts that we establish from time to time as described in **Item 6** above. Currently, we do not collect NMF contributions, but we may collect up to 2% of your Gross Revenue as a NMF contribution.

We will have sole discretion over all aspects of programs financed by the NMF, including national or regional media, creative concepts, materials, endorsements, and agency relationships. Although the NMF is intended to maximize general recognition and patronage of the brand and the Marks for the benefit of all Cookie Co.TM Businesses, we cannot assure you that any particular Cookie Co.TM Business will benefit directly or pro rata from the placement of advertising. Additionally, we reserve the right to define, at any time, the measurement terms for any media coverage. The NMF may be used to pay for the cost of preparing and producing creative materials and programs we select, including video, audio, electronic, and printed advertising materials, media planning, and buying services, and for the cost of employing advertising agencies, and supporting market research activities. We may furnish you with marketing, advertising, and promoting materials at cost, plus any related administrative, shipping, handling, and storage charges.

The NMF will be accounted for separately from our other funds. While our intent is to balance the NMF on an annual basis, the NMF may periodically run at either a surplus or deficit. We may spend in any fiscal year an amount greater or less than the aggregate contributions of all Cookie Co.TM Businesses to the NMF in that year, and

the NMF may borrow from us or other lenders to cover deficits in the NMF or cause the NMF to invest any surplus for future use by the NMF. We will prepare annually a statement of monies collected and costs incurred by the NMF and furnish you a copy upon your written request. Except as otherwise expressly provided in the Franchise Agreement, we assume no direct or indirect liability or obligation with respect to the maintenance, direction, or administration of the NMF. We do not act as a trustee or in any other fiduciary capacity with respect to the NMF.

We may increase the LMF or NMF contributions above two percent (2%) of Gross Revenue with an affirmative vote by 51% of the then existing Cookie Co.TM Businesses.

Advertising Approvals and Initial Advertising Costs

You must submit to us each year for our prior approval a marketing plan for your market(s) and a marketing plan for each new Business opening along with samples of all advertising and promotional materials by following the creative approval process, which occasionally may be updated. You must spend a minimum of ten thousand dollars (\$10,000.00) for grand opening advertising and promotional programs for your Business. Grand opening advertising and promotional programs costs will not count toward the required LMF expenditures. You must use the types of advertising media specified in the Operations Manual. You must commence your grand opening advertising program no less than 45 days prior to opening your Business and such opening advertising and promotion must continue for 60 days after your Cookie Co.TM Business begins operation. If you elect to work with a marketing firm (including an advertising agency, public relations firm, printing or production company) you must obtain our written approval of such marketing firm, and such marketing firm must sign a Cookie Co.TM approved confidentiality and non-disclosure agreement before you sign any contracts or share any Confidential Information, as defined in your Franchise Agreement, with such marketing firm. Marketing, advertising, printing or production firms employed by you will not be permitted access to any limited access intranet sites (including the Franchise Website) or any other information regardless of a confidentiality agreement having been signed. Marketing, advertising, printing or production firms may not have access to trademark or branded collateral, apparel or merchandise without our written approval.

Creative Approval Process

Cookie Co.TM will produce all advertising and promotional materials. However, Cookie Co.TM maintains the right to authorize or oversee the production of creative or marketing collateral by outside or third-party marketing or advertising firms. Any advertising and promotion materials not prepared by Cookie Co.TM must be approved before your use. The complete creative approval process, as it occasionally may be updated, can be found in the Operations Manual. We reserve the right to decline approval of any advertising or promotional materials if we believe it does not meet our brand standards. In some cases, Cookie Co.TM may charge an assessment or custom creative fee to cover the cost of custom marketing collateral or promotional development that may not apply or be implemented System-wide. You may not use any advertising or promotional materials that we have not been approved.

Social Media

We will create a social-media page for each of your locations when it opens for business and may provide you access through an Internet-based platform that we select and use from time to time. All social-media pages will belong to us, and your use thereof will be subject to the policies and procedures set forth by us, as modified from time to time. You are not authorized to create any social-media pages or accounts (including, without limitation, Instagram, Facebook, Twitter, and Snapchat) for any of your Cookie Co.TM locations without our prior written consent.

Computers

Description of Standard Hardware and Software System Components

The POS system allows for the recording of Business orders and the capture of data for the possible use in other applications including inventory control, payroll, cash management, and production planning. This system may also allow for the seamless communication of daily financial and inventory information to a central processing facility. To use this system, you must subscribe to high-speed or broadband Internet services or access. The information communicated to us, as described above, will also enable us to make automatic withdrawals of royalty and fee payments from the designated account described in **Item 6**. Internet connectivity is required to place orders to our product manufacturing and distribution centers so that you will be able to maintain your Business product inventory at appropriate levels. Even though we may not currently have independent access to information and data on your computer system, we intend to implement independent access in the future.

None of us (Cookie Co.TM, our Affiliates, or any Designated Supplier) are required to provide ongoing maintenance, repairs, upgrades or updates to the POS hardware system. However, the POS vendor or Designated Suppliers may offer various options for hardware repair, system modules, and software support plans, which you may be required to also purchase.

The cost of the computers and POS system including installation, is approximately \$2,500 - \$10,000. The monthly cost of the POS system support is approximately \$50 - \$150. The monthly cost of the gift and loyalty card programs is approximately \$50.

Upon 60 days' written notice, you must upgrade or replace financial and inventory data processing, communications and security systems, including the POS and back-office computer system, whenever we require it, and we have no obligation to assist you in obtaining hardware, software, or related services. There are no contractual limits on the frequency or cost of your obligation to obtain such upgrades.

We have the right to require you to modify or discontinue use of the POS system or any of its functions if we determine that it becomes advisable at any time. In such a case, you must comply with our directions to modify or discontinue the use of the POS system or any of its functions or use a new POS system or specific POS system function within a reasonable time after notice from us. You must bear all costs and expenses applicable to your Cookie Co.TM Business should we decide to modify the POS system or adopt a new POS system. We will have no liability or obligation whatsoever with respect to any such required modification or discontinuance of the POS system or the installation, training, and use of a new POS system. Also, we are not obligated to reimburse you for any loss of goodwill associated with any modification or discontinuance of the POS system or the installation and use of a new POS system or for any expenditure made by you to train your Business staff on the new POS system.

Broadband Configuration

Your broadband network configuration must meet the following minimum standards and criteria:

- Persistent broadband Internet connection with a speed of at least 10 Mbps
- One firewall/router separating the store network from the Internet
- One static, publicly routable IP address, bound to the firewall/router's external interface
- Four ports on the firewall/router that are accessible to the internal network

To establish a secure connection between the POS equipment located in your Business and broadband service provider, you may be required to purchase from Cookie Co.™ specific equipment and devices. Also, we may require you to purchase additional equipment and services to establish Wi-Fi Internet access in your Business. We recommend that you hire third-party vendors to install the equipment at an additional cost. Also, in the future, you may contract with us to perform the on-site installation service at an additional cost.

Data Security

You must ensure the security of data located on and transmitted from your internal network. You will be responsible to configure your network and all connected systems to ensure data security. We may implement policies and procedures and reasonably require from time to time that you purchase or implement specific hardware, software, or configurations in order to address changing technology and data security needs.

ITEM 12. TERRITORY

The Franchise Agreement grants you the right to own and operate a Cookie Co.™ Business at a specific location. You may not conduct the operations of your Cookie Co.™ Business at any site other than the Premises, described in your Franchise Agreement, or relocate your Cookie Co.™ Business without our prior written consent. The Franchise Agreement does not provide you with any options, rights of first refusal, or similar rights to acquire additional franchises. You are not granted the right to develop a Cookie Co.™ Business within two (2) miles of another Cookie Co.™ Business (which is either open or operating or has been approved by us for development) in a geographic area not included in your Area Development Agreement.

Except as noted in this **Item 12**, your right to own and operate a Cookie Co.™ Business at a specific location is exclusive in that we will not operate a Cookie Co.™ Business or grant to a third party the right to operate a Cookie Co.™ Business within a geographic area consisting of a three and one-half mile radius from the center of the Premises (the “*Protected Area*”). Additionally, your territorial rights in the Protected Area are not dependent upon achievement of certain sales volume, market penetration or any other contingency. We expressly reserve the right, however, in densely populated locales, to define the Protected Area based upon census population figures and to adjust the boundaries of your Protected Area if the populations increases to 100,000 or more.

We have the right to operate (directly or through an Affiliate) and grant to others the right to operate within the Protected Area:

- a) Cookie Co.™ Business or other retail food establishments (including non-Cookie Co.™ Business) using any part or all of the System and Marks that are: (i) located within retail outlets, businesses, grocery stores, supermarkets, Internet, catalogs, and other channels of distribution (including wholesale distribution of products to businesses, supermarkets, grocery stores, caterers, and other outlets); or (ii) located at transportation facilities (such as airport facilities, inter-metropolitan train and/or bus stations, turnpikes, or other limited access highway rest stops), colleges, universities, sports arenas, and entertainment facilities, where any of such locations or its food operations are controlled by a third party or in our judgment should be operated by a third party; and
- b) Retail food establishments (including non-Cookie Co.™ Businesses) that we purchase (or as to which we purchase the rights as franchisor) that are part of another franchise system or chain, regardless of whether any or all of them are converted to use any or all of the Marks and the System or continue to be operated independently.

Except for rights expressly granted to you under the Franchise Agreement, we retain all of our rights and discretion with respect to the Marks, the System, and Cookie Co.™ Business anywhere in the world, including the right

- a) Operate, and grant others the right to operate, Cookie Co.TM Business at locations and on terms and conditions we deem appropriate; (You acknowledge that such Cookie Co.TM Business may be in direct competition with your Business, without regard to any adverse effects of such activities on your Business and without any obligation or liability to you)
- b) Sell any products or services under any tradenames, trademarks, service marks or trade dress, including the Marks, through other channels of distribution (including wholesale distribution of baked goods to Business, supermarkets, grocery stores, caterers, Internet, catalogs, and other outlets);
- c) Operate, and grant to others the right to operate, retail food establishments (including non-Cookie Co.TM Business) identified by trademarks, service marks or trade dress, other than the Marks, under terms and conditions we deem appropriate.

Area Development Agreement

The Area Development Agreement grants you the right to develop an agreed-upon number of Cookie Co.TM Businesses within a geographic area described in Exhibit A to the Area Development Agreement (the “*ADA*”). The size of the Development Area will depend on the number of Cookie Co.TM Businesses suitable for the Development Area, as you and we determine in light of factors such as population density and the residential or commercial character of the Development Area. The number of Cookie Co.TM Businesses and the dates they are to be open and operating will be set out in Exhibit A to the Area Development Agreement (the “*Development Schedule*”). The ADA does not provide you with any options, rights of first refusal or similar rights to acquire or develop a Cookie Co.TM Business within two (2) miles of another Cookie Co.TM Business (which is either open or operating or has been approved by us for development) in a geographic area not included in your ADA.

During the term of the ADA and provided you, your Owners and your Affiliates are in compliance with the ADA and all other agreements with us or any of our Affiliates (including Franchise Agreements signed under the ADA), we will: (a) grant to you, in accordance with Section 3 of the ADA, that cumulative number of franchises for Cookie Co.TM Businesses in Exhibit A to the ADA, all of which are to be located within the Development Area; and (b) not operate (directly or through an affiliate), nor grant others the right to operate, any Cookie Co.TM Businesses located within the Development Area, except for: (1) franchises granted under the ADA; (2) Cookie Co.TM Businesses open (or under commitment to open) as of the date of the ADA; (3) Cookie Co.TM Businesses or other retail food establishments using any part or all of the System and/or Marks that are: (i) located within retail outlets, Business, grocery stores, supermarkets, or other channels of distribution (including wholesale distribution of products to Business, supermarkets, grocery stores, caterers, Internet, catalogs, and other outlets); or (ii) located at transportation facilities (such as airport facilities, inter-metropolitan train, and/or bus stations, turnpikes, or other limited access highway rest stops), colleges, universities, sports arenas, and entertainment facilities, where any of such locations or its food operations are controlled by a third party or in our judgment should be operated by a third party; and (4) retail food establishments (including non-Cookie Co.TM Business) that we purchase (or as to which we purchase the rights as franchisor) that are part of another franchise system or chain, regardless whether any or all of them are converted to use any or all of the Marks and the System or continue to be operated independently.

Except as otherwise expressly provided in the ADA, we retain all of our rights and discretion with respect to the Marks, the System, and Cookie Co.TM Business anywhere in the world, including the right to: (a) operate, and grant to others the right to operate, Cookie Co.TM Businesses at the locations and on the terms and conditions we deem appropriate; (b) sell any products or services under any trademarks, service marks, or trade dress, including the Marks, through other channels of distribution, (including wholesale distribution of cookies, baked goods, merchandise, or other products to Business, grocery stores, caterers, Internet, catalogs, and other outlets); and (c) operate, and grant to others the right to operate, retail food establishments (including non-Cookie Co.TM Business) identified by tradenames, trademarks, service marks or trade dress, other than the Marks, on the terms and conditions we deem appropriate.

In the Development Area you must have open and operating, on the dates listed, the cumulative number of Cookie Co.TM Businesses stated in the Development Schedule. We have no obligation under any circumstances to extend the Development Schedule. Your failure to develop and operate Cookie Co.TM Business in accordance with the Development Schedule will be a material breach of the Area Development Agreement.

Competing Businesses

Although we currently do not have plans to do so, we may in the future engage in the wholesale distribution of cookies, baked goods, apparel, or other products to Business, grocery stores, caterers, and other outlets under the Marks or other names and marks. We do not otherwise currently operate, or franchise the operation of, any other business selling under different trademarks any products or services similar to the products and services offered by Cookie Co.TM Business, and we presently do not have any plans to do so.

ITEM 13. TRADEMARKS

Under the Franchise Agreement, we license you the right to use the Marks in the operation of your Restaurant. As of the Effective Date of this Disclosure Document, applications for the following marks (“the Marks”) have been submitted to the United States Patent and Trademark Office (the “*USPTO*”). There are no pending interference, opposition or cancellation proceedings or any pending material litigation, involving the Marks. There are no agreements currently in effect which significantly limit our rights to use or franchise the use of the Marks.

<u>Mark</u>	<u>Status</u>	<u>Application No.</u>	<u>Application Date</u>	<u>Registration No.</u>	<u>Registration Date</u>
	Application pending	90762484	June 8, 2021	N/A	N/A

Your right to use the Marks is derived solely from the Franchise Agreement and is limited to your conduct of business in compliance with the Franchise Agreement and all applicable standards, specifications, operating procedures and rules that we require. Your unauthorized use of the Marks will constitute a breach of the Franchise Agreement and an infringement of our rights in the Marks. Your use of the Marks and any goodwill established by your use will benefit us exclusively. The Franchise Agreement does not confer any goodwill or other interests in the Marks on you other than the right to operate your Restaurant in compliance with the Franchise Agreement. All rights in and goodwill from the use of our trademarks, including the Marks, accrue solely to us. All provisions of the Franchise Agreement applicable to the Marks will apply to any additional proprietary trade and service marks and commercial symbols that we authorize for use by you in the future.

You must use the applicable Marks as the sole identification of your Restaurant, and you must identify yourself as the independent owner in the manner we require. You may not use any of the Marks as part of any corporate or trade name or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos franchised to you under the Franchise Agreement), or in any modified form; nor may you use any of the Marks in performing or selling any unauthorized services or products or in any other manner not expressly authorized in writing by us. You may not use any of the Marks as part of an electronic mail address or on any sites on the Internet or World Wide Web. You may not use or register any of the Marks as any part of an Internet domain name. You must display the applicable Marks prominently at your Restaurant, on supplies or materials designated by us, and on

packaging materials, forms, labels and advertising and marketing materials. You must display all applicable Marks in the manner we require, and you must use the appropriate signal, such as “®” for registered marks and “™” for non-registered marks or as we may otherwise designate in using any of the Marks. You must refrain from any business or marketing practice which may be injurious to our business and the goodwill associated with the Marks.

We have the right to require you to modify or discontinue use of any of the Marks or use one or more additional or substitute trade or service marks if we determine that it becomes advisable at any time. In this case, you must comply with our directions to modify or discontinue the use of the Mark or use one or more additional or substitute trade or service marks within a reasonable time after notice from us. You must bear all costs and expenses applicable to your Restaurant should we decide to modify the Marks or adopt new marks. We will have no liability or obligation whatsoever with respect to any such required modification or discontinuance of any Mark or the promotion of a substitute trademark, service mark or trade dress. Also, we are not obligated to reimburse you for any loss of goodwill associated with any modified or discontinued Mark or for any expenditure made by you to promote a modified or substitute trademark or service mark.

You must immediately notify us of any apparent infringement of or challenge to your use of any of the Marks or claim by any person of any rights in any Trademark, and you must not communicate with any person other than us or our counsel about the infringement, challenge or claim. We have the right to take the action we deem appropriate and control exclusively any litigation, USPTO proceeding or any other administrative or court proceeding concerning any of the Marks. You must sign any instruments and documents, render assistance and do those things as, in the opinion of our legal counsel, may be necessary or advisable to protect and maintain our interests in any litigation or USPTO proceeding or other proceeding or otherwise to protect and maintain our interests in the Marks.

We will indemnify you against and reimburse you for all damages for which you are held liable in any proceeding arising out of your authorized use of any of the Marks and for all costs you reasonably incur in defending any claim brought against you or any proceeding in which you are named as a party, if you have timely notified us of the claim or proceeding and have otherwise complied with the requirements of the Franchise Agreement and all other agreements entered into with us and our Affiliates. At our option, we are entitled to defend and control the defense of any proceeding arising out of your authorized use of any of the Marks. At Cookie Co.’s sole discretion, it will be entitled to prosecute, defend, or settle any proceeding out of your use of any Mark, and if Cookie Co. decides to prosecute, defend, or settle any matter, it will have no obligation to indemnify or reimburse you for any fees or disbursements of counsel you retain. In addition to all other rights we may have for unauthorized use of the Marks or the sale of unauthorized products or services, you must reimburse us for any damages, liability, or expenses incurred by us arising out of your sale of any unauthorized product or service or for any damages, liability, or expenses incurred by us arising out of your use of the Marks in an unauthorized manner.

The ADA does not grant you the right to use any of the Marks. Your right to use the Marks is derived solely from the Franchise Agreements you enter into with us. You may not use any Mark (or any abbreviation, modification, or colorable imitation) as part of a corporate or legal business name or in any other manner (including as an electronic media identifier, such as a website, web page, or domain name) not explicitly authorized in writing by us.

To our actual knowledge, there are no rights or infringing uses which could materially affect your use of any of the Marks in any state.

ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Except as noted below, we and our Affiliates do not own any patents or copyrights which are material to the Franchise.

We consider certain information relating to the development and operations of a Cookie Co.TM Business to be trade secrets and proprietary information. This information includes:

1. Operations Manuals and Materials;
2. training materials;
3. ingredients, recipes, and methods of preparation and presentation of authorized products;
4. design binder consisting of Cookie Co.TM design and décor elements, and custom furniture, décor and fixtures package;
5. sales, marketing, and advertising materials, programs and techniques for Cookie Co.TM Business;
6. identity of suppliers and knowledge of specifications, processes, procedures, and equipment, and pricing for authorized products, materials, supplies, and equipment;
7. knowledge of operating results and financial performance of Cookie Co.TM Business, other than
8. Cookie Co.TM Business you own;
9. methods of inventory control, storage, product handling, training, and management relating to Cookie Co.TM Business;
10. computer systems and software programs used or useful in Cookie Co.TM Business;
11. any and all other information that we provide you that is labeled proprietary or confidential;
12. methodology for assessing, selecting and approving Business locations; and
13. Business financial comparison, alerts, analytical software and tools, and methodologies.

All ideas, recipes, concepts, methods, formulas, or techniques useful to Cookie Co.TM Businesses, whether or not constituting protectable intellectual property, and whether created by you or on your behalf, must be promptly disclosed to us and, if adopted as part of the System, will be considered our property and works made-for-hire for us. You must sign whatever documents we request to evidence our ownership or to assist us in securing intellectual property rights in such ideas, concepts, methods, or techniques. You must not, however, test, offer or sell any new products or methods or techniques without our written consent.

You may not use our Confidential Information in an unauthorized manner and may not disclose our Confidential Information to others. Your restrictions on disclosure and use of Confidential Information do not apply to information or techniques which are or become generally known in the business industry (other than through your own disclosure), provided you obtain our prior written consent to such disclosure or use.

We own the Confidential Information and claim copyrights in the Confidential Information. The Confidential Information includes trade secrets and is our proprietary information. You will have access to some of this Confidential Information required in the operation of your business. However, you will not acquire any interest in any Confidential Information, other than the right to use Confidential Information disclosed to you in operating your Business during the term of the Franchise Agreement. The use or duplication of any Confidential Information in any other business will constitute an unfair method of competition and a violation of your Franchise Agreement. We only disclose the Confidential Information to you on the condition that you agree:

- (i) Not to use Confidential Information in any other business or capacity;
- (ii) To maintain the absolute confidentiality of Confidential Information during and after the term of the Franchise Agreement;
- (iii) Not to make unauthorized copies of any portion of Confidential Information disclosed in written or other tangible form; and
- (iv) To adopt and implement all reasonable procedures that we require to prevent unauthorized use or disclosure of Confidential Information, including restrictions on disclosure of Confidential Information to your employees and to comply with requirements that we may impose that certain key employees sign confidentiality agreements as a requirement and condition of employment.

We have not registered any copyrights with the U.S. Registrar of Copyrights. You may use the Operations Manuals and other materials during the term of the Franchise Agreement. There are currently no effective determinations of the U.S. Copyright Office or any court regarding any of the copyrights. There are no agreements currently in effect that significantly limit our rights to use or franchise the copyrighted materials. Also, there are no other rights or infringing uses actually known to us that could materially affect your use of the copyrighted materials in any state.

Your right to use the copyrights is derived solely from the Franchise Agreement and is limited to your conduct of business in compliance with the Franchise Agreement and all applicable standards, specifications, operating procedures and rules that we require. Your unauthorized use of the copyrights will constitute a breach of the Franchise Agreement and an infringement of our rights in the copyrights. Your use of the copyrights and any goodwill established by your use will benefit us exclusively. The Franchise Agreement does not confer any goodwill or other interests in the copyrights upon you other than the right to operate your Business in compliance with the Franchise Agreement. All rights in and goodwill from the use of the copyrights will accrue solely to us. All provisions of the Franchise Agreement applicable to the copyrights will apply to any additional copyrighted materials that we authorize for use by you in the future.

We have the right to require you to modify or discontinue use of any of the materials in which we claim copyrights if we determine that it becomes advisable at any time. In this case, you must comply with our directions to modify or discontinue the use of those materials within a reasonable time after notice from us. You must bear all costs and expenses applicable to your Cookie Co.TM Business should we decide to modify the Marks or adopt new marks. We will have no liability or obligation whatsoever with respect to any such required modification or discontinuance of any Mark or the promotion of a substitute trademark, service mark or trade dress. Also, we are not obligated to reimburse you for any loss of goodwill associated with the modification or discontinuation of any materials in which we claim copyrights or for any expenditure made by you in your use of those materials.

You must immediately notify us if you learn that any person may be using our copyrighted materials without our consent or authorization. You must also immediately notify us of any challenge to your use of any copyright or claim by any person of any rights in any copyright. You must not communicate with any person other than us or our counsel about any challenge or claim to any copyright. We have the right to take the action we deem appropriate and the right to exclusively control any litigation, U.S. Copyright Office proceeding or any other administrative proceeding concerning any copyright. You must sign any instruments and documents, render assistance and do those things as, in the opinion of our legal counsel, may be necessary or advisable to protect and maintain our interests in any litigation or Copyright Office proceeding or other proceeding or otherwise to protect and maintain our interests in the copyrights.

We are not obligated to indemnify you against, reimburse you for, or compensate you for any damages for which you are held liable in any proceeding arising out of your unauthorized use of any patent or copyright under the Franchise Agreement; neither are we obligated to reimburse or compensate you for any costs you incur in defending

any claim brought against you or your Owners, Investors or Affiliates or any proceeding in which you are named as a party in connection with such unauthorized use of any patent or copyright. In addition to all other rights we may have for unauthorized use of a patent or copyright, you must reimburse us for any damages, liability, or expenses incurred by us arising out of your use of a patent or copyright in an unauthorized manner. At our option, we are entitled to defend and control the defense of any proceeding arising out of your use of any copyright.

ITEM 15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

If you are, or at any time become, a business corporation, partnership, limited liability company or other legal entity, you must designate in Exhibit B to the Franchise Agreement as the “*Operating Partner*” an individual approved by us who must:

- (a) be engaged full-time in the business of your Cookie Co.TM Business;
- (b) have the authority to bind you regarding all operational decisions with respect to your Business; and
- (c) have completed our training program to our satisfaction.

You and your Operating Partner: (a) shall exert your full-time and best efforts to the development and operation of all Cookie Co.TM Business you own; and (b) may not without our approval engage in any other business or activity, directly or indirectly, that requires substantial management responsibility or time commitments or otherwise may conflict with your obligation under the Franchise Agreement. You must provide us with a copy of any proposed arrangement, agreement, or contract, and all amendments, with your Operating Partner for our prior review and approval, and upon approval thereof, signed copies thereof. The agreement should include a provision that if the Operating Partner is terminated, for whatever reason, he/she shall not for a period of two years after such termination recruit or hire any person who is an employee of yours, ours, or of any Cookie Co.TM Business operated by us, our Affiliates or any franchisee of ours, without obtaining the employer’s and our consent, which consent may be withheld for any reason. We will have no responsibility, liability, or obligation to any party to any such arrangement, agreement, or contract, or any amendments, on account of our approval thereof or otherwise, and you must indemnify and hold us harmless with respect thereto. Your Cookie Co.TM Business must, at all times, be managed by you and your Operating Partner or by a manager or shift supervisor who has completed our training program to our satisfaction. Your manager need not have an equity interest in the franchise, but must not engage in any other business or activity that requires substantial commitment.

As more fully stated in the Franchise Agreement and the ADA, you must implement all reasonable procedures we occasionally prescribe to prevent unauthorized use or disclosure of Confidential Information. Such procedures may include the use of nondisclosure agreements with your Owners, officers, directors, Operating Partners, general managers, assistant managers, and the like. You and your Owners must deliver such agreements to us. At the end of the term of a Franchise Agreement or ADA, you must deliver to us all Confidential Information in your possession. We have the right to require your Personnel to sign a confidentiality agreement in our favor as a condition of employment in the Business. By signing the confidentiality agreement, your Personnel agree to the non-competition covenants described in **Item 17** of this Disclosure Document.

You, your owners, officers, directors, Operating Partners, general managers, assistant managers, and the like will be bound by the non-competition covenants described in **Item 17** of this Disclosure Document.

If you are a partnership, corporation, limited liability company, or other legal entity, one, some, or all of your Owners as we deem necessary must undertake to be personally bound, jointly and severally, by your obligations under the Franchise Agreement and the ADA if any. Copies of these guaranties are attached as Exhibit C to the Franchise Agreement and Exhibit C to the ADA.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must sell all cookies, food, beverage, other products, merchandise, and services that we determine to be appropriate for your Cookie Co.TM Business. We may, in our discretion, establish certain marketing programs, including limited time offers, with which you must participate. We will not refund or compensate or exchange any unused products shipped to you in connection with these marketing programs. You must offer all Cookie Co.TM Products that we authorize you to sell. However, we are not required to authorize you to sell all available Cookie Co.TM Products.

You are not restricted as to the customers whom you may serve at the Cookie Co.TM Business. However, without our written consent, you may not offer Cookie Co.TM Products approved for sale or services of your Business or any materials, supplies, or inventory bearing the Cookie Co.TM Marks at any site other than your Business premises (other than catering events that you may book) or through any alternative channel of distribution (as further described in **Item 12** above). In addition, you may not offer for sale any materials, supplies or inventory used in the preparation of any of the Cookie Co.TM Products. You may only sell finished Cookie Co.TM Products that have been approved for sale at your Business and only to retail customers, and you may not sell any Cookie Co.TM Products to any person or entity purchasing the Cookie Co.TM Products for resale. In addition, you may not use the site of your Business for any purpose other than the operation of a Cookie Co.TM Business in compliance with the Franchise Agreement.

You may only use pamphlets, brochures, cards or other promotional materials offering free Cookie Co.TM Products that we have prepared, unless otherwise approved by us in advance.

Your Cookie Co.TM Business will not be permitted to offer any products or services (including promotional items) we have not authorized for Cookie Co.TM Businesses without prior written approval. We have the right to change the types of authorized goods and services, and there are no limits on our right to make changes.

Company-owned or company-affiliated Business may participate in charitable endeavors. You are also encouraged to participate in charitable, fundraising and community activities.

You must at all times maintain an inventory of approved food products, beverages, ingredients, and other products sufficient in quantity, quality, and variety to realize your Cookie Co.TM Business's full potential.

We may conduct market research to determine consumer trends and salability of new food products and services. You must participate in our market research programs by test-marketing new food products and services in your Cookie Co.TM Business and providing us with timely reports and other relevant information regarding such market research. You must purchase a reasonable quantity of such test products and make a reasonable effort to sell them.

Your lease may also impose other obligations or restrictions with respect to the types of products that you may offer from your premises, and you must comply with those restrictions and obligations even if they would prevent you from offering certain Cookie Co.TM Products that we have approved for you to offer. In such case, you must seek written approval from us permitting you to comply with such restrictions and obligations.

We and our Affiliates will have the perpetual right to own and use and authorize other Cookie Co.TM Businesses to use, and you will fully and promptly disclose to us, all ideas, concepts, formulas, recipes, methods and techniques about the development or operation of your Business conceived or developed by you or your employees during the term of your Franchise Agreement. You may not test, offer, or sell any new products without our written consent.

The ADA contains no provision restricting the goods and services you may offer. However, with respect to each Cookie Co.TM Business developed under the ADA, you will be subject to the restrictions on goods and services

contained in our then-current standard Franchise Agreement. The restrictions in our current Franchise Agreement are summarized above and more fully set out in the Franchise Agreement attached as Exhibit C hereto.

[The remainder of this page is intentionally left blank.]

ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise or Other Agreement	Summary
a. Length of the franchise term	Section 2	Initial term is 10 years.
b. Renewal or extension	Section 2	May be granted a renewal term of 7 years under terms of then-current Franchise Agreement. This means that you may be asked to sign an agreement with terms and conditions that are materially different from those in your original agreements.
c. Requirement for franchisee to renew or extend	Section 2	You give us at least 180 days notice; you sign new Franchise Agreement (which may include different or additional fees and performance criteria) and our then-current Renewal Addendum (which will contain a general release); at our request, you have refurbished and remodeled the premises; you have complied with the Franchise Agreement and all other agreements with us or our Affiliates during the initial term; you have satisfied all monetary obligations; you retain the premises for the renewal term; and there is no adverse franchise legislation. This means that you may be asked to sign an agreement with terms and conditions that are materially different from those in your original agreements.
d. Termination by franchisee	None	Not Applicable
e. Termination by franchisor without cause	None	Not Applicable
f. Termination by franchisor with cause	Section 14	We have the right to terminate if you are in default of Franchise Agreement or any other agreement with us or our Affiliates or if you fail to satisfactorily complete the required training or if you fail to begin your Business operations within 180 days after signing of Franchise Agreement.
g. "Cause" defined – curable defaults	Section 14	You have 24 hours to cure health violations; 10 days to correct delinquent payments due us; 30 days to cure other breaches of Franchise Agreement.
h. "Cause" defined – non-curable defaults	Section 14	Includes voluntary bankruptcy, insolvency, failure to open or abandonment of business, cancellation of lease, breach of obligations under the lease of the Business premises, misrepresentations or omissions, conviction of or plea of no contest to a felony, violation of any anti-terrorism law, unauthorized transfer, unauthorized disclosure of Confidential Information, repeated breaches of the

Provision	Section in Franchise or Other Agreement	Summary
		agreements, unauthorized use of the Cookie Co.™ Marks or Confidential Information, failure to pay uncontested taxes, repeated defaults (even if cured) default on any financing obligations; failure three or more times within a period of twelve months to submit reports and other data or to otherwise comply with the Franchise Agreement, whether or not such failure is corrected.
i. Franchisee’s obligations on termination / non-renewal	Section 15	Pay all amounts due, including any late charges and interest; continue to honor all guaranties, releases and waivers; retain records and permit audits; not disclose Confidential Information; discontinue use of Cookie Co.™ Marks, Confidential Information, proprietary software, and any mode of Internet communications; de-identify your business; return the Operations Manual, Recipe Books, and Training Manual(s); deliver to us all signs, equipment, supplies and materials displaying the Cookie Co.™ Marks; cancel any fictitious or assumed name certificates; make required changes to premises; assign telephone listings; dispose of non-returnable supplies and materials; honor indemnification requirements; and continue to honor and be bound by general provisions; provide evidence of your compliance within 30 days of termination.
j. Assignment of contract by franchisor	Section 13	No restriction on our right to transfer or assign Franchise Agreement.
k. “Transfer” by franchisee – defined	Section 13	Includes sale, transfer, assignment, or other disposition of the Franchise Agreement’s rights, or other ownership interest in franchisee, or ownership change.
l. Franchisor’s approval of transfer by franchisee	Section 13	We have the right to approve all transfers but will not unreasonably withhold approval if certain conditions are satisfied.
m. Conditions for franchisor’s approval of transfer	Section 13	Business must have opened; you must be in compliance with agreement; Transferee must qualify, complete training, and sign new or existing Franchise Agreement and other related agreements; transferee cannot be a public company; all your Business must be transferred; transfer fee must be paid; your obligations are paid and you are not in default; you must subordinate debts and sign a general release and non-compete agreement; we must approve price and payment terms; there must be no adverse franchise legislation; you subordinate any obligations of the transferee to you to the transferee’s obligations to us; you obtain any required landlord consents; you agree not to use the Cookie Co.™ Marks; you or your transferee agrees to any refurbishment

Provision	Section in Franchise or Other Agreement	Summary
		we require; and you must do other things we may reasonably request.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 13	We can match any bona fide offer for your business or for a controlling interest in your entity within 30 days from delivery of a complete and accurate copy of offer.
o. Franchisor's option to purchase franchisee's business assets	Section 15	Upon termination of the Franchise Agreement, we have the right to purchase any or all of your Business's assets by giving you notice within 10 days of termination/expirion, at fair market value. Under the security agreement that may be provided for in the Franchise Agreement, we can foreclose and acquire the assets of your Business if you default.
p. Death or disability of franchisee	Section 13	All rights in the Franchise Agreement must be assigned to an approved buyer within a reasonable time period not to exceed six months of death/disability.
q. Non-competition covenants during the term of the franchise	Section 9	No involvement in any competing business, regardless of its location.
r. Non-competition covenants after the franchise is terminated or expires	Section 15	You may not own, have direct or indirect interest in, or provide services/advice to any competing business or any entity which franchises or licenses a competing business for two years within your Protected Area or within five miles of any Cookie Co. TM Business.
s. Modification of agreement	Sections 10 and 18	Generally, no modifications except by written agreement signed by both parties. However, the Operations Manual and Materials, Recipe Books, Training Manual, and the Franchise Website, cvfranchise.com, are subject to change by us. We may also increase the NMF or LMF contributions above the amount indicated with an affirmative vote by 51% of then existing franchised Businesses.
t. Integration/merger clause	Section 18	Only the terms of the Franchise Agreement, including Operations Manual, are binding (subject to state law). Any other oral or written promises may be unenforceable. Nothing in the Franchise Agreement or any related agreement is intended to disclaim franchisor's representations made in this Disclosure Document.
u. Dispute resolution by litigation	Section 17	Parties may resolve disputes through litigation.
v. Choice of forum	Section 17	Utah state court, and federal district court in Salt Lake City, Utah.

Provision	Section in Franchise or Other Agreement	Summary
w. Choice of law	Section 18	Utah law applies generally, unless governed by applicable franchise laws of other states.

Area Development Agreement

Provision	Section in Area Development Agreement	Summary
a. Length of the Area Development Agreement term	Section 2	Date in <u>Exhibit A</u> or date upon which developer opens cumulative number of Business in <u>Exhibit A</u> .
b. Renewal or extension	Section 2	No right to renew or extend.
c. Requirements for franchisee to renew or extend	Section 2	No right to renew or extend.
d. Termination by franchisee	None	Not Applicable
e. Termination by franchisor without cause	None	Not Applicable
f. Termination by franchisor with cause	Section 9	We can terminate only for specified causes.
g. "Cause" defined – curable defaults	Section 9	30 days to cure a breach of Area Development Agreement. 30 days to discharge any petition in bankruptcy, dissolution, reorganization, or appointment of receiver or custodian.
h. "Cause" defined – non-curable defaults	Section 9	Failure to meet Development Schedule, misrepresentations or omissions, conviction of or plea of no contest to a felony, violation of any anti-terrorism law, unauthorized transfer, unauthorized disclosure of Confidential Information, repeated breaches of the agreements, breach of any Franchise Agreement or any other agreement between you, your Owners, or any of your Affiliates (as defined in the Area Development Agreement) and us; adverse franchise legislation.
i. Franchisee's obligations on termination / non-renewal	Section 10	Comply with covenant not to compete.
j. Assignment of contract by franchisor	Sections 7 and 12	No restriction on our right to transfer or assign Franchise Agreement.
k. "Transfer" by franchisee — defined	Section 1	Includes sale, transfer, assignment, or other disposition of the agreement's rights, or other ownership interest in you.

Provision	Section in Area Development Agreement	Summary
l. Franchisor's approval of transfer by franchisee	Section 8	We have the right to approve all transfers but will not unreasonably withhold approval if certain conditions are satisfied.
m. Conditions for franchisor's approval of transfer	Section 8	You must be in compliance with agreements; Transferee must qualify, complete training, and sign existing agreement and other related agreements; all your Business must be transferred to the Franchisee; transfer fee must be paid; you must subordinate debts and sign a general release and non-compete agreement; there must be no adverse franchise legislation; and you must do other things we may reasonably request.
n. Franchisor's right of first refusal	Section 8	We can match any bona fide offer for your business or for a controlling interest in your entity within 30 days from delivery of a complete and accurate copy of offer.
o. Death or disability of franchisee	Section 8	All rights in the Area Development Agreement must be assigned to the approved buyer within a reasonable time period not to exceed six months of death/disability.
p. Non-competition covenants during the term of the Area Development Agreement	Section 6	No involvement in any competing business, regardless of its location; may not divert or attempt to divert business or customers to competing business.
q. Non-competition covenants after the Area Development Agreement is terminated or expires	Section 10	You may not own, have direct or indirect interest in, or provide services/advice to any competing business or any entity which franchises or licenses a competing business for 2 years within your Protected Area or within five miles of any Cookie Co.™ Business.
r. Modification of the Area Development Agreement	Section 12	No modifications except by written agreement signed by both parties.
s. Integration/merger clause	Section 12	Only the terms of the Area Development Agreement are binding (subject to state law). Any other oral or written promises may be unenforceable.
t. Dispute resolution by litigation	Section 11	Parties may resolve disputes through litigation.
u. Choice of forum	Section 11	Utah state courts, and federal district court in Salt Lake City, Utah.
v. Choice of law	Section 12	Utah law applies generally, unless governed by applicable franchise laws of other states.

ITEM 18. PUBLIC FIGURES

We do not use any public figure to promote the sale of our franchises.

ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

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

This Item sets forth the historical Gross Revenue information for our Affiliate-owned flagship location in Redlands, CA for the time period of August 2020 to July 2021.

Your individual results may differ. There is no assurance that you'll sell as much.

Other than the information set forth below, Cookie Co.TM does not furnish or authorize its employees or Affiliates to furnish spoken or written claims regarding financial performance, earnings, revenues or results that you are likely to obtain. Cookie Co.TM specifically instructs its employees and Affiliates that they are not permitted to make any such claims, other than the information set forth below, and you may not rely on any such claims if made.

Written substantiation of the data presented in this financial performance representation will be made available to you upon reasonable request.

Additionally, a caution regarding the financial performance information below appears at the end of the Table. It is critical that you read and understand this caution.

August 2020 – July 2021

Gross Revenue:	\$1,257,524.19
Total Expenses:	\$608,231.87
Net Income:	\$371,813.16

CAUTION

Other than the preceding financial performance representation, Cookie Co.TM, does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations, either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Ivan Smith, 2278 North 300

East, Lehi, Utah 84043; (719) 429-5767, the Federal Trade Commission, and the appropriate state regulatory agencies.

[The remainder of this page is intentionally left blank.]

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

**Table No. 1
For Years 2018 to 2020**

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

**Table No. 2
Transfers of Outlets from Franchisees to New Owners
For Years 2018 to 2020***

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

Table No. 3
Status of Franchised Outlets
For Years 2018 to 2020*

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non- Renewals	Col. 7 Re-acquired by Cookie Co.™	Col. 8 Ceased Operations – Other Reasons	Col. 9 Outlets at End of the Year
	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
Totals	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0

*If multiple events occurred affecting an outlet, this table shows the event that occurred last in time.

This franchise was purchased by a franchisee from our Affiliate.

Table No. 4
Status of Affiliate-owned Outlets
For Years 2018 to 2020

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

Table No. 5
Projected Openings as of December 31, 2020

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Affiliate-owned Outlets in the Next Fiscal Year
Arizona	0	4	0
California	0	8	0
Idaho	0	4	0
Minnesota	0	3	0
Texas	0	7	0
Utah	0	3	0
Washington	0	4	0
Total	0	32	0

Current Franchisee List

The name, addresses, and telephone numbers of our franchisees and their Cookie Co.TM Business as of the Issuance Date are listed in Exhibit B.

Past Franchisee List

The name, last known address and telephone number, if available, of every franchisee who has transferred a franchise, had a franchise business terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the last completed fiscal year or who has not communicated with Franchisor within 10 weeks of the date of this Disclosure Document are listed in Exhibit B. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

No franchisees have signed confidentiality clauses during the last three years that prevent them from speaking to prospective franchisees about their experience as a Cookie Co.TM franchisee.

ITEM 21. FINANCIAL STATEMENTS

Attached as Exhibit F are the unaudited opening financial statements of Cookie Co.TM Franchising, LLC.

ITEM 22. CONTRACTS

Attached as Exhibits to this Disclosure Document are the following contracts and their attachments:

Exhibit A	Schedule of State Administrators and Agents for Service of Process
Exhibit B	List of Franchisees and Former Franchisees
Exhibit C	Cookie Co. TM Franchise Agreement Acknowledgment Addendum Ownership Addendum Guaranty Lease Addendum Investor Personal Covenants Regarding Confidentiality and Non-Competition Authorization Agreement for Prearranged Payments (Direct Debits) Site Selection Addendum Assignment of Telephone Number(s) State Specific Addenda
Exhibit D	Cookie Co. TM Area Development Agreement Development Area and Schedule Development Area Map Ownership Addendum Guaranty Investor Personal Covenant Regarding Confidentiality and Non-Competition State Specific Addenda
Exhibit E	Cookie Co. TM Operations Manual Table of Contents
Exhibit F	Financial Statements
Exhibit G	State Specific Addenda
Exhibit H	Definitions
Exhibit I	State Effective Dates & Receipts

ITEM 23. RECEIPTS

Exhibit I of this Disclosure Document is a detachable document acknowledging your receipt of this Disclosure Document. The Federal Trade Commission requires that you promptly sign and return one copy of the Receipt to us. This does not obligate you to purchase a franchise and it does not obligate us to sell you a franchise.

[The remainder of this page is intentionally left blank.]

EXHIBIT A

SCHEDULE OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

SCHEDULE OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE	AGENTS FOR SERVICE OF PROCESS	REGULATORY AUTHORITIES
CALIFORNIA	<p>California of Financial Protection and Innovation:</p> <p>Los Angeles: 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 (213) 576-7505 or (866) 275-2677</p> <p>Sacramento: 2102 Arena Blvd. Sacramento, CA 95834 (916) 445-7205 or (866) 275-2677</p> <p>San Diego: 1350 Front Street, Suite 2034 San Diego, CA 92101-3697 (619) 525-4233 or (866) 275-2677</p> <p>San Francisco: 71 Stevenson Street, Suite 2100 San Francisco, CA 94105-2980 (415) 972 8559 or (866) 275-2677</p>	<p>California Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 (213) 576-7505 or (866) 275-2677</p>
CONNECTICUT	<p>Connecticut Department of Banking 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230</p>	<p>Banking Commissioner 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230</p>
FLORIDA	[Not Applicable]	<p>Senior Consumer Complaint Analyst Department of Agriculture and Consumer Services Division of Consumer Services 2005 Apalachee Pkwy. Tallahassee, Florida 32399-6500 (850)-922-2966 or (850) 488-2221</p>
HAWAII	<p>Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 548-2021</p>	<p>Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722</p>

STATE	AGENTS FOR SERVICE OF PROCESS	REGULATORY AUTHORITIES
ILLINOIS	Illinois Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Chief, Franchise Bureau Illinois Attorney General 100 W. Randolph Street Chicago, IL 60601 (312) 814-3892
INDIANA	Secretary of State Administrative Offices of the Secretary of State Room E-111 302 West Washington Street Indianapolis, IN 46204 (317) 232-6681	Securities Commissioner Securities Division Room E-111 302 West Washington Street Indianapolis, IN 46204 (317) 232-6681
IOWA	[Not Applicable]	Director of Regulated Industries Unit Iowa Securities Bureau 340 East Maple Des Moines, Iowa 50319-0066 (515) 281-4441
MARYLAND	Maryland Securities Commissioner Securities Division 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 (410) 576-6360
MICHIGAN	Michigan Department of Commerce, Corporations and Securities Bureau 525 W. Ottawa 670 Law Building Lansing, MI 48913 (517) 373-7117	Franchise Administrator Consumer Protection Division Antitrust and Franchise Unit Michigan Department of Attorney General 525 W. Ottawa 670 Law Building Lansing, MI 48913 (517) 373-7117
MINNESOTA	Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1600	Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1600
NEBRASKA	[Not Applicable]	Staff Attorney Department of Banking and Finance Commerce Court 1230 "O" Street, Suite 400 PO Box 95006 Lincoln, NE 68509-5006 (402) 471-3445

STATE	AGENTS FOR SERVICE OF PROCESS	REGULATORY AUTHORITIES
NEW YORK	Secretary of State of the State of New York 41 State Street Albany, NY 11231	Assistant Attorney General Bureau of Investor Protection and Securities New York State Department of Law 120 Broadway, 23rd Floor New York, NY 10271 (212) 416-8211
NORTH DAKOTA	North Dakota Securities Department Fifth Floor 600 East Boulevard Bismarck, ND 58505	Franchise Examiner North Dakota Securities Department 600 East Boulevard, 5th Floor Bismarck, ND 58505 (701) 328-4712
OREGON	Director of Oregon Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, OR 97310 (503) 378-4387	Department of Consumer and Business Services Division of Finance and Corporate Securities Labor and Industries Building Salem, OR 97310 (503) 378-4387
RHODE ISLAND	Director of Rhode Island Department of Business Regulation Division of Securities 1511 Pontiac Avenue, John O. Pastore Complex–Bldg. 69-1 Cranston, RI 02920 (401) 462-9527	Associate Director and Superintendent of Securities Division of Securities 1511 Pontiac Avenue, John O. Pastore Complex–Bldg. 69-1 Cranston, RI 02920 (401) 462-9527
SOUTH DAKOTA	Department of Labor and Regulation Division of Securities 124 South Euclid Suite 104 Pierre SD 57501 (605) 773-4823	Franchise Administrator Division of Securities 124 South Euclid Suite 104 Pierre SD 57501 (605) 773-4823
TEXAS	[Not Applicable]	Secretary of State Statutory Document Section P.O. Box 12887 Austin, TX 78711 (512) 475-1769
UTAH	[Not Applicable]	Division of Consumer Protection Utah Department of Commerce 160 East Three Hundred South P.O. Box 45804 Salt Lake City, Utah 84145-0804 (801) 530-6601

STATE	AGENTS FOR SERVICE OF PROCESS	REGULATORY AUTHORITIES
VIRGINIA	Clerk of the State Corporation Commission 1300 E. Main Street Richmond, VA 23219 (804) 371-9672	Chief Examiner/Investigator State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street Richmond, VA 23219 (804) 371-9051
WASHINGTON	Director of Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760	Administrator Dept. of Financial Institutions Securities Division 150 Israel Rd. SW Olympia, WA 98501 (360) 902-8760
WISCONSIN	Wisconsin Commissioner of Securities P.O. Box 1768 345 W. Washington Avenue, 4 th Floor Madison, WI 53703 (608) 261-9555	Franchise Administrator Securities and Franchise Registration Wisconsin Securities Commission 345 W. Washington Avenue, 4 th Floor Madison, WI 53703 (608) 261-9555
FEDERAL TRADE COMMISSION		Franchise Rule Coordinator Division of Marketing Practices Bureau of Consumer Protection Pennsylvania Avenue at 6th Street, NW Washington, D.C. 20580 (202) 326-3128

EXHIBIT B

LIST OF FRANCHISEES AND FORMER FRANCHISEES

LIST OF AFFILIATED & FRANCHISED STORES (AS OF DECEMBER 31, 2020)

Cookie Co. (Redlands)

LIST OF FORMER FRANCHISEES (AS OF DECEMBER 31, 2020)

The name, last known address and telephone number, if available, of every franchisee who has had a franchise business terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the last completed fiscal year or who has not communicated with Franchisor within 10 weeks of the date of this Disclosure Document are listed below. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

There are no former franchisees as of the Effective Date of this Franchise Disclosure Document.

EXHIBIT C

COOKIE CO.™ FRANCHISE AGREEMENT

Franchise Agreement



Cookie Co. Franchising, LLC

2278 North 300 East
Lehi, Utah 84043

Email: info@officialcookieco.com

www.officialcookieco.com

Cookie Co.™ Franchise Agreement

[_____]

Franchisee

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EXHIBIT B – OWNERSHIP ADDENDUM

EXHIBIT C – GUARANTY

EXHIBIT D – LEASE ADDENDUM

EXHIBIT E – INVESTOR PERSONAL COVENANTS REGARDING CONFIDENTIALITY & NON-COMPETITION

EXHIBIT F – AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS

EXHIBIT G – SITE SELECTION ADDENDUM

EXHIBIT H – ASSIGNMENT OF TELEPHONE NUMBERS

EXHIBIT I – STATE-SPECIFIC ADDENDA

COOKIE CO.™® FRANCHISE AGREEMENT

This Franchise Agreement (the “*Agreement*”) is made and entered into as of [_____], by and between Cookie Co.™ Franchising LLC, a Utah limited liability company, with its principal place of business at 2278 North 300 East, Lehi, Utah 84043 (“*we*”, “*us*”, the “*Company*” or “*Franchisor*”) and [_____], a [_____] (“*you*” or “*Franchisee*”) whose principal address is [_____]. The Company and Franchisee are sometimes collectively referred to in this Agreement as the “*Parties*” and each individually as a “*Party*.”

1. INTRODUCTION

A. COOKIE CO.™ BUSINESSES.

We own, operate, and franchise Cookie Co.™ businesses specializing in the retail sale of Cookie Co.™ proprietary cookies and other menu items and merchandise related to the Cookie Co.™ brand and concept, as we may periodically authorize. We, or our Affiliates, have developed and own a comprehensive system for developing and operating Cookie Co.™ Businesses, which includes, without limitation: trademarks; building designs and sample layouts; equipment; ingredients, specifications, and recipes for authorized food products; methods of inventory control; training programs; and certain operational and business standards and policies, all of which we may improve, further develop or otherwise modify (the “System”).

B. YOUR ACKNOWLEDGEMENTS.

You acknowledge that you have read and understood this Agreement, our Franchise Disclosure Document, and agreements relating hereto, if any. You acknowledge that you have had ample time and opportunity to consult advisors of your own choosing about the potential benefits and risks of entering into this Agreement. By signing this Agreement, you understand that the Cookie Co.™ concept offers a high-quality, freshly baked cookie experience. You accept the proposition that to deliver that experience requires a unique approach to the quality of baked goods, and other food products, level of design, environment, and customer experience (impacted by the quality of people and training). You understand the terms, conditions, and covenants of this Agreement and accept them as being reasonably necessary to maintain the uniformity of our high-quality standards at all Cookie Co.™ Businesses to protect and preserve the goodwill of the Marks and the integrity of the System. You have conducted an independent investigation of the business contemplated by this Agreement and recognize that the cookie shoppe/baked goods industry is highly competitive, with constantly changing market conditions and consumer tastes. You recognize that the nature of Cookie Co.™ Businesses may change over time, that an investment in a Cookie Co.™ Business involves business risks, and that the success of the venture is largely dependent on your own business abilities, efforts, and financial resources.

Except as expressly set forth in Item 19 of the Franchise Disclosure Document provided to you prior to the execution of this Agreement, we expressly disclaim the making of, and you acknowledge that you have not received or relied upon, any representation, guaranty, or warranty expressed or implied, as to the sales volume, income, earnings, expenses, revenues, profits or success of Cookie Co.™ Businesses or the business venture contemplated by this Agreement or the extent to which we will continue to develop and expand the network of Cookie Co.™ Businesses. You further acknowledge that you have not received or relied on any representations about the franchise, the Company, or its franchising program or policies from us or our officers, directors, shareholders, employees, or agents that are contrary to the statements made in our Franchise Disclosure Document or the terms of this Agreement. Any information acquired by you from other Cookie Co.™ franchisees relating to sales, income, earnings, expenses, revenues, profits or success of any franchised Cookie Co.™ Business does not constitute information obtained from us; nor do we make any representation as to the accuracy of any such information. You acknowledge and agree that Cookie Co.™’s officers, directors, employees, and agents act only in a representative, and not in a personal, capacity in connection with any of our dealings with you.

C. YOUR REPRESENTATIONS.

You and your Owners jointly and severally represent and warrant to us that: (1) neither you nor any of your Owners has made any untrue statement of any material fact or has omitted to state any material fact in the written information you have submitted in obtaining the rights granted hereunder; (2) neither you nor any of your Owners has any direct or indirect legal or beneficial interest in any business that may be deemed a Competitive Business, except as you have otherwise completely and accurately disclosed in writing to us in connection with obtaining the rights granted hereunder; and (3) the signing and performance of this Agreement will not violate any other agreement to which you or any of your Owners may be bound. You recognize that we have signed this Agreement in reliance on all of the statements you and your Owners have made in writing in connection with this Agreement.

D. CERTAIN DEFINITIONS.

The terms listed below have the meanings which follow them and include the plural as well as the singular. Other terms are defined elsewhere in this Agreement in the context in which they arise.

“Affiliate” – Any person or entity that directly or indirectly owns or controls the referenced party; that is directly or indirectly owned or controlled by the referenced party, or that is under common control with the referenced party. The term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities, by contract or otherwise.

“Affiliated Business” – A Cookie Co.TM Business which an Affiliate of ours operates and in which we or our Affiliate owns a controlling interest.

“Approved Supplier” – A supplier that has been reviewed and authorized by us as a Cookie Co.TM supplier to our franchisees.

“Confidential Information” – Our proprietary and confidential information relating to the development and operation of Cookie Co.TM Businesses, including: (1) Operations Manual, Training Program Manual, and other manuals given to you, your Owners and business partners, and your Business Personnel; (2) ingredients, recipes, and methods of preparation and presentation of authorized food and products; (3) site selection criteria for Cookie Co.TM Businesses and plans and specifications for the development of Cookie Co.TM Businesses; (4) sales, marketing, and advertising programs and techniques for Cookie Co.TM Businesses; (5) identity of suppliers and knowledge of specifications, processes, procedures, and equipment, and pricing of authorized food products, materials, supplies, and equipment; (6) knowledge of operating results and financial performance of Cookie Co.TM Businesses, other than Cookie Co.TM Businesses you own; (7) methods of inventory control, storage, product handling, training and management relating to Cookie Co.TM Businesses; (8) computer systems and software programs used or useful in Cookie Co.TM Businesses including, without limitation, mobile applications and loyalty programs; and (9) any and all other information that we provide you that is labeled or considered proprietary or confidential or which would generally be regarded as confidential in the industry.

“Cookie Co.TM Products” – Products approved or required by us or our Affiliates for sale at or from Cookie Co.TM Businesses, including cookies and other baked goods, other food items, beverages, clothing, accessories, and other products approved by us or our Affiliates; provided that we have the right to modify and/or discontinue the use of any such products at any time and include additional or substitute products.

“Cookie Co.TM Business” or **“Business”** – A Business featuring the retail sale of freshly baked cookies and other baked goods or food products, or any other outlet selling any Cookie Co.TM Products for on- or off-premises consumption and services, all as designated by us and developed and operated with our approval and consent, which we, or any of our Affiliates, own, operate or franchise and which uses the Marks and the System.

“Copyrights” – Works of authorship and other categories of work entitled to copyright protection that we license for use in connection with the operation of Cookie Co.TM Businesses and for which we or any of our Affiliates claim copyright protection.

“Franchised Business” – A Cookie Co.TM Business which is owned, controlled and operated by any person, persons, entity or entities other than us or our Affiliates pursuant to a Cookie Co.TM franchise agreement duly executed by us and them.

“Investor” – Each person or entity, other than the Operating Partner, that has a direct or indirect legal or beneficial ownership interest amounting to less than 10% of all ownership interests in you, if you are an entity. An Investor is not an Owner where such term is capitalized in this Agreement.

“Marks” – The trademarks, trade names, service marks, logos and other commercial symbols which we authorize you to use to identify Cookie Co.TM Products and/or services offered by Cookie Co.TM Businesses, including the trademarks and service marks COOKIE CO.TM and the Trade Dress and the goodwill associated therewith; provided that we have the right to modify and/or discontinue the use of these trademarks, trade names, service marks, logos and other commercial symbols and the Trade Dress, and establish, in the future, additional or substitute trademarks, trade names, service marks, logos, commercial symbols or Trade Dress, all of which modifications, additions and substitutions shall immediately upon their use be deemed included within this definition.

“Operating Partner” – The individual designated in Exhibit B hereto and any replacement thereof approved by us.

“Operations Manual” – All information for the development, establishment and operation of a Cookie Co.TM Business which contains any mandatory or suggested standards, specifications or operating procedures, whether this information is communicated in writing and/or electronically (such as in bulletins, updates, guidelines, newsletters, emails, videotapes, audio tapes, presentations, limited access intranet sites, portable storage media, and alternative or supplemental means of communicating information by other media), all as supplemented and amended occasionally, including information with respect to training, management, quality assurance, health, safety, recruitment, security, site selection, site approval processes, standards, customer services, owner’s manuals, training manuals and other materials, approved suppliers, and operating system manuals.

“Owner” – Each of your Operating Partner and each entity or person owning directly or beneficially 10% or more of the ownership interests in you. If any Owner within the scope of this definition is itself an entity (including an Owner that is an Owner because of this sentence), the term “Owner” also includes Owners (as defined in the preceding sentence) in such entity. It is the intent of this definition to “trace back” and include within the definition of Owner all natural persons owning the requisite interests to qualify as Owners.

“Patents” – The current and future patents and patent applications, if any, that cover business methods, processes, products, structures, equipment, and designs that we license for use in connection with the operation of Cookie Co.TM Businesses.

“Personnel” – All persons employed by you in connection with the development, management, or operation of your Business, including persons in general management positions for your Cookie Co.TM Businesses.

“Reporting Period” – A one-week period from 12:00 a.m., MST on Monday to 11:59 p.m., MST on Sunday.

“Restricted Person” – You; each of your Owners; and the spouses, natural and adopted children, and siblings of any of you and your Owners.

“System Standards,” “System” or “Cookie Co.TM System” – The business formats, signs, equipment, methods, procedures, designs, layouts, specifications, and arrangements for developing and operating Cookie Co.TM Businesses, which include, without limitation: the Marks, Trade Dress, building design and layouts, equipment, ingredients, recipes, methods of preparation and specifications for authorized food

products, training, methods of inventory control and certain operating and business standards and policies, all of which we may improve, further develop or otherwise modify.

“**Trade Dress**” – The designs, color schemes, décor and images which we authorize you to use in the development and operation of Cookie Co.™ Businesses, which we or our Affiliates have the right to revise and further develop at any time.

“**Your Business**” – The Cookie Co.™ Business operated by you under this Franchise Agreement.

2. GRANT OF RIGHTS.

A. GRANT OF FRANCHISE.

You have applied for the right to own and operate a Cookie Co.™ Business (the “**Business**”) at and only at, the following location: [_____] (the “**Premises**”). If a site has not yet been selected and approved as of the date of this Agreement, then you must sign and comply with the Site Selection Addendum attached hereto as Exhibit G. The site selected and approved pursuant to the Site Selection Addendum and Section 3.A below will, upon approval, be deemed the “Premises” for purposes of this Agreement. Subject to the terms and conditions of this Agreement, we grant you a non-exclusive right to operate your Business at the Premises and to use the Marks in the operation of your Business in accordance with the System Standards (the “**Franchise**”). During the Initial Term, as defined in Section 2.B below, the Company will not operate (directly or through an Affiliate), nor grant to another person the right to operate, any Cookie Co.™ Business located within one mile of the Premises, or as otherwise defined in the Site Selection Addendum attached as Exhibit G.

Notwithstanding the foregoing, we have the right to operate (directly or through an Affiliate), and to grant to others the right to operate, within the Protected Area and elsewhere: (1) Cookie Co.™ Businesses or other retail food establishments using any part or all of the System Standards and/or Marks that are: (i) located within retail outlets, grocery stores, supermarkets, and other channels of distribution (including wholesale distribution of food products or merchandise to Businesses, supermarkets, grocery stores, caterers, Internet, catalogs, and other outlets); (ii) located at transportation facilities (such as airports, inter-metropolitan train and/or bus stations, turnpikes, or other limited-access highway rest stops), colleges, universities, sports arenas and entertainment facilities, where any locations or its food operations are controlled by a third party or in our judgment should be operated by a third party (collectively “**Special Locations**”); or (iii) Businesses located in a motor vehicle such as a truck, van or similar vehicle; and (2) retail food establishments (including other non-Cookie Co.™ Businesses) that we purchase that are part of another franchise system or chain, regardless of whether any or all of them are converted to Cookie Co.™ Businesses or continue to be operated independently.

You have no right to construct or operate any additional, expanded or modified facilities on the Premises, nor any right to construct or operate a Cookie Co.™ Business at any location other than at the Premises. In addition, you have no right to sublicense pursuant to this Agreement.

Notwithstanding the foregoing, if your Business is to be operated in a shopping center or mall, you shall have exclusive rights to operate a Cookie Co.™ Business within that shopping center or mall during the term of this Agreement.

B. INITIAL TERM.

The initial term of this Agreement will be ten (10) years, unless earlier terminated pursuant to the terms of this Agreement, commencing on the date of this Agreement (the “**Initial Term**”). This Agreement may be renewed as provided in Section 2.C below. This Agreement may be terminated before expiration of its term if: (i) the lease or sublease of the Premises is terminated, or you otherwise lose the rights to occupy the Premises, or (ii) this Agreement is otherwise terminated in accordance with Section 14 below. References in this Agreement to the “**Term**” of this Agreement mean the Initial Term.

C. RENEWAL.

If you are not in default at the time of exercise of a renewal option and at the time the Initial Term expires, you shall have the right, subject to the conditions contained in this Section, to renew this Agreement for your Business on the terms and conditions of our then-current form of the Franchise Agreement, for an additional 7-year term, if upon expiration of the Term:

- (i) You give us written notice of your desire to renew your Agreement not less than six months nor more than twelve months before the expiration of the Initial Term;
- (ii) You sign our then-current form of Franchise Agreement, which may include different Royalty Fees and marketing fees, other fees and charges, and changes in performance criteria and other terms and conditions and such other documentation as we reasonably require;
- (iii) At our request, you refurbish, remodel, redecorate, and renovate your Business at the commencement of the renewal term to meet our then-current System Standards, including designs and service systems, trade dress and our then-current site criteria;
- (iv) You have complied with all of the material terms and conditions of this Agreement or any other agreement between you and us during the initial term, and you and your Owners have been in substantial compliance with this Agreement throughout the Term;
- (v) All monetary obligations owed by you to us, our Affiliates or your suppliers or creditors, whether pursuant to this Agreement or otherwise, have been satisfied before renewal, and have been paid in a timely manner throughout the Term;
- (vi) You have the right to continue to lease or own the location of the Premises for the duration of the renewal term; and
- (vii) You pay a renewal fee equal to the greater of the then-current initial franchise fee being charged by us, less the amount you paid to us as an initial fee when you purchased your franchise; \$7,500; or such other amount which we may reasonably require in light of the circumstances at the time of renewal such as changes in the industry.

We will give you notice, not later than 60 days after receipt of your election to renew, of our decision whether or not you have the right to renew this Agreement pursuant to this Section.

Failure by you and your Owners to sign the agreements called for in subparagraph (ii) above within 30 days after delivery to you shall be deemed an election by you not to renew the franchise for your Business.

D. OUR RESERVATION OF RIGHTS.

Except as otherwise expressly provided in this Agreement, we and all of our Affiliates (and our respective successors and assigns, by purchase, merger, consolidation, or otherwise) retain all of our rights and discretion with respect to the Marks, the System, and Cookie Co.TM Businesses anywhere in the world, and the right to engage in any business whatsoever, including the right to: (1) operate, and grant to others the right to operate, Cookie Co.TM Businesses at locations and on terms and conditions as we deem appropriate (which Businesses you acknowledge may be in direct competition with your Business), without regard to any adverse effects of these activities on your Business and without any obligation or liability to you; (2) sell any products or services under any trade names, trademarks, service marks or trade dress, including the Marks, through other channels of distribution (including wholesale distribution of food products and merchandise to Businesses, supermarkets, grocery stores, caterers, Internet, catalogs, and other outlets); and (3) operate, and grant to others the right to operate, retail food establishments (including other non-Cookie Co.TM Businesses) identified by trade names, trademarks, service marks or trade dress, other than the Marks, pursuant to these terms and conditions as we deem appropriate. You acknowledge and agree that, except as expressly provided to the contrary in Section 2.A hereof,

your rights hereunder shall be non-exclusive. You waive, to the fullest extent permitted under law, all claims, demands or causes of action arising from or related to any of the foregoing activities by us or any of our Affiliates.

3. DEVELOPMENT AND OPENING OF YOUR BUSINESS.

A. SITE SELECTION.

We will furnish you with our standard site-selection criteria and assistance for Cookie Co.TM Businesses, as we periodically may establish and modify. You may also at times, and at our discretion, be required to utilize the services of an Approved Supplier, to assist you in ascertaining the most viable site for your Cookie Co.TM Business. We may also provide such on-site evaluation of proposed sites as we deem necessary or appropriate. If we deem it necessary to provide an on-site evaluation of a proposed site, you must coordinate and arrange for the visit by our representative, agent or Approved Supplier and may be required to pay the related travel expenses. These expenses may include airline and other transportation costs, meals, lodging and salaries.

If a site for your Business has not been agreed upon by the Parties by the time this Agreement is signed, you must, within 75 days of signing this Franchise Agreement, sign and comply with the Site Selection Addendum attached as Exhibit G, and we will approve a site for your Business in accordance with the provisions of this Section 3.A and the Site Selection Addendum:

(1) You must submit to us, in accordance with procedures we periodically establish, a complete site proposal, (the "Site Proposal Package"), containing demographics information, traffic patterns, access, visibility, location of other retail food establishments (including other Cookie Co.TM Businesses) and size, condition, configuration, appearance and other physical characteristics of the site and all other information that we reasonably require for each site for a Cookie Co.TM Business that you propose to develop and operate and that you in good faith believe to conform to our then-current standard selection criteria for Cookie Co.TM Businesses;

(2) We will approve or reject each site for which you submit to us a complete Site Proposal Package in accordance with subparagraph (1) above within 15 days of our receipt of the Site Proposal Package. If we approve the site, we will do so by delivering our standard Site Approval Letter. Our Site Approval Letter, duly signed by us, is the exclusive means by which we approve a proposed site, and no other direct or indirect representation, approval or acceptance, whether in writing or verbally, by any of our officers, employees or agents, shall be effective or bind us. We will use all reasonable efforts to make a site approval decision and, if the site is approved, deliver a Site Approval Letter to you within 15 days after we receive the complete Site Proposal Package and any other materials we have requested. Neither our approval of a proposed site, nor any information communicated to you regarding our standard site-selection criteria or your proposed site or the advice or recommendation of any Approved Suppliers constitutes a warranty or representation of any kind, express or implied, as to the suitability of the proposed site. You acknowledge that your decision to develop and operate a Cookie Co.TM Business at any site is based solely on your own independent investigation of the suitability of the site for a Cookie Co.TM Business. In consideration of our approval of a proposed site, you and your Owners agree to release us and our Affiliates, shareholders, members, officers, directors, employees, agents, successors and assigns from any and all loss, damages and liability arising from or in connection with the selection and/or approval of such site for the development of a Cookie Co.TM Business.

(3) You must provide any other information or materials as we may reasonably require, such as a letter of intent or other document which confirms your favorable prospects for obtaining the proposed site.

You must lease, sublease or purchase the Premises within 120 days after signing the Agreement, unless otherwise set forth in the Site Selection Addendum attached hereto as Exhibit G. We must approve the terms of any lease, sublease or purchase contract for the Premises, and you must deliver a copy to us for our written approval before you sign it. You agree that any lease or sublease for the Premises must, in form and substance, be satisfactory to us and must include all of the provisions set forth on Exhibit D hereto or substantially similar provisions. Our approval of the Premises is based upon, and made in reliance of, information you furnish and representations you make to us (all of which we assume you have carefully and fully considered in proposing the Premises to us) with respect to the size, appearance and other physical characteristics of the Premises, photographs

of the Premises, and demographic characteristics, traffic patterns, competition from other businesses in the area and other commercial characteristics (including the purchase price, rental obligations, and other lease terms). Our approval of the Premises, lease, sublease, or purchase contract, and any information communicated to you regarding the Premises do not constitute an express or implied representation or warranty of any kind, including, but not limited to, the fairness of such lease, sublease or purchase contract, the suitability of the Premises for a Cookie Co.™ Business, or your ability to comply with the terms of the lease or for any other purpose. Our approval of the Premises, lease, sublease or purchase contract indicates only that we believe that the Premises falls within our criteria as of the time period encompassing the evaluation. We do not, by virtue of approving the Premises, lease, sublease or purchase contract, assume any liability or responsibility to you or to any third parties. You acknowledge that you have the sole responsibility for obtaining the advice of your own professional advisors before you lease, sublease, or purchase the Premises.

Upon submission of a proposed site for your Business, you agree that you may be required to pay to us or our Designated Supplier (which may be an Affiliate) a lease-review fee that is in the amount equal to the market rate for similar services as determined by us. (“*Lease Review Fee*”). The Lease Review Fee pays the expenses incurred by us to review and (if we so choose) negotiate certain provisions of the lease. You agree that you are not a third-party beneficiary of the lease negotiation or review. You agree that any lease review will not constitute an express or implied representation or warranty of any kind, as to its fairness or as to the suitability of the Lease for a Cookie Co.™ Business or as to your ability to comply with the terms of the lease or for any other purpose. You agree that we do not guarantee that the terms, including rent, will represent the most favorable terms available in that market. We may charge you only one Lease Review Fee unless you refuse to or do not sign a lease that we have certified as acceptable for your Business, and we are then required to engage in one or more additional lease reviews for your Business, in which case you may have to pay us or our Designated Supplier an additional Lease Review Fee for each additional lease review.

B. ACQUISITION OR LEASE OF PREMISES.

Unless you own the Premises, you must obtain any necessary lease or sublease for the Premises. Unless we otherwise agree in writing, we will not assist you in the process of obtaining and/or negotiating a lease or sublease for the Premises. In any event, you must obtain our approval of the terms of the lease or sublease, or purchase contract or any modification thereof, for the Premises before signing the lease or sublease. You agree not to sign a lease or sublease which we have disapproved, and you must deliver a copy of the signed, approved lease to us within five (5) days after its signing. You agree that any lease or sublease for the Premises must, in form and substance satisfactory to us, include all of the provisions set forth on Exhibit D, unless otherwise approved by us. You agree to indemnify and hold us and our Affiliates harmless from any breach of the lease even though we or one of our Affiliates may elect to assume the lease upon your termination.

If you, one of your Owners, or one of your Affiliates at any time owns the Premises, you must immediately notify us and we may require that you or such Owner or Affiliate (1) enter into an agreement with us in recordable form granting us the right and option, in the event of a termination (for whatsoever reason) of the Franchise Agreement, to lease the Premises at fair market rental rates for a term coterminous with the term of the Franchise Agreement for such Premises; or (2) enter into a prime lease with us at fair market rental rates for a term coterminous with the term of the Franchise Agreement for such Premises and a sublease with us on the same terms as the prime lease. The prime lease and sublease referenced in the preceding sentence shall be on the then-current lease and the sublease forms used by us.

If the lease for your Business is terminated at no fault of Franchisee, or if the lease for your Business expires, or if you lose possession on account of condemnation or eminent domain proceedings or because of fire or other casualty, you may move your Business to another location chosen in accordance with our site evaluation and approval process found in Section 3.A above, provided that you comply with the following requirements:

The new location must be within the original Business’s Protected Area, as determined by us.

The new location may in no case infringe upon a franchise agreement or other agreement applicable to another Business.

You must pay us a relocation fee of \$5,000.

Except in cases of fire or other casualty, you must initiate the site-approval process within 60 days after you lose possession of the premises. If your lease is terminated because of fire or other casualty, you must initiate the site-approval process within 120 days after the lease is terminated.

C. DEVELOPMENT OF YOUR BUSINESS.

You must construct and develop your Business and pay for all expenses associated with it and for compliance with the requirements of any applicable federal, state, or local law, code or regulation, including those concerning the Americans with Disabilities Act (“*ADA*”) or similar rules governing public accommodations for persons with disabilities. Once you have executed your lease for the Premises, we will put you in touch with our approved architect and construction company for your floor plans and buildout process. You must obtain our final approval prior to commencing construction. You shall be responsible for all costs for the architect and construction company.

It will be your responsibility to ensure compliance with the requirements of any federal, state, or local laws, codes or regulations. You must modify the Design to ensure that all specifications comply with all applicable ordinances, building codes and permit requirements and any lease requirements and restrictions. We will submit the floor plan and specifications to our vendors for bidding on the furniture, fixtures, equipment and signs. We will gather the quotes from the vendors and compile a summary and email it along with the complete bids to your attention. Once you are ready to purchase your furniture, fixtures, equipment, and signs, we will request a deposit invoice from each vendor and forward it to you for payment directly to the vendor. You will have 30 days to pay the amount contained in the bids in accordance with the vendor’s instructions. We shall have the right to supervise and inspect all construction to ensure that all is proceeding as set out in the design and specifications. You are not authorized to make any changes to the design and/or specifications without our approval.

We will furnish guidance to you in developing the Premises as we deem appropriate. We may periodically inspect the Premises during its development. We do not, by taking any of the actions set forth in this Section 3.C, assume any liability or responsibility to you or to any third parties. The approvals and inspections provided for in this Section 3.C shall be solely for the purpose of ensuring compliance with our standards and shall not be construed as any express or implied representation or warranty that your Business complies with any applicable laws, codes or regulations (including the Americans with Disabilities Act or any other federal, state, or local law or ordinance regulating standards for the access to, use of, or modifications of buildings for any by persons whose disabilities are protected by law) or that the construction thereof is sound or free from defects. The design and all prototype and modified plans and specifications for your Business remain our sole and exclusive property, and you may claim no interest.

Without limiting the foregoing, you will do or cause to be done the following with respect to development of your Business: (1) obtain all required construction and sign permits and licenses; (2) complete the construction of all required improvements to the Premises and decorate the Premises; (3) purchase and install all fixtures, furnishings, equipment, signs, and the opening food and beverage inventory and operating supplies and other materials from sources approved or designated by the Company; and (4) obtain any required financing in connection with development of your Business. You must complete development of and have your Business opened to the public within 180 days of signing this Franchise Agreement. Failure to timely open shall subject the Franchise Agreement to termination under Section 14. If you have not obtained legal possession of the Premises within 30 days of the date of the Site Approval Letter, we have the right to retract such approval. You must start construction of your Business within 30 days after you have leased, subleased or acquired the Premises. You must procure all applicable construction insurance in amounts and coverages acceptable to us. You must open your Business within 10 days after the date construction is completed and all necessary approvals have been obtained.

Any extensions of time are subject to our approval, which we may withhold at our discretion. You must provide us with weekly progress reports during the construction phase.

The requirement to complete construction of your Business includes obtaining all required construction and occupancy licenses and permits, developing the Premises (including all outdoor features and landscaping of the Premises), installing all required fixtures, furnishings, equipment and signs, and doing all other things as may be required pursuant to this Agreement or by practical necessity to have your Business ready to open for business. Your Business may not be opened for business until we have notified you that your Business meets our requirements for opening.

Notwithstanding anything to the contrary contained in this Section 3.C, you shall not be deemed to be in breach of this Section if your failure to start construction, finish construction or open your Business as provided above results solely from windstorms, rains, floods, earthquakes, typhoons, tsunamis, mudslides, fires, other natural disasters, or terrorist acts. Any delay resulting from any of these causes shall extend performance accordingly, in whole or part, as may be reasonable, except that no such causes shall extend performance more than 90 days without prior written consent, which consent may be withheld in our sole discretion.

If, after you open, your Business is damaged or destroyed by windstorms, rains, floods, earthquakes, typhoons, tsunamis, mudslides, fires, other natural disasters, or terrorist acts, or if you are required by any governmental authority to repair or reconstruct the Premises, you must repair or reconstruct your Business in accordance with our then-current design standards. This repair or reconstruction must be completed within a reasonable time in light of the circumstances. If the repairs or reconstruction cannot be completed within 90 days after the damage or destruction, then you will have 30 days after this event in which to apply for our approval to relocate your Business or for additional time to reconstruct your Business. This approval will not be unreasonably withheld, but may be conditioned upon the payment of an agreed minimum royalty while your Business is not in operation.

D. FURNISHINGS, FIXTURES, EQUIPMENT AND SIGNS; DEVELOPMENT SERVICES.

You must purchase or lease all required furnishings, fixtures, equipment and signs for your Business. You must purchase, lease, or use in the development and operation of your Business only those brands, types or models of fixtures, furnishings, signs, supplies, services, and equipment and the design, architectural and construction services that the Company has approved. We will provide to you bids from our approved vendors for your furniture, fixtures, equipment and signs. Upon receipt by you of such bids, you will have 30 days to pay the amounts set forth on the bids for your furnishings, fixtures, equipment and signs. You will need to work with each vendor to make the deposit payment according to the individual vendor's payment terms. Once payment has been received by the vendors, the lead time for procuring your items will begin. No vendors will order or ship any furnishings, fixtures, equipment or signs until payment has been received. You will be liable for any and all sales tax associated with the purchase or lease of such items. Occasionally, we may modify the list of approved types, brands, models and/or suppliers, and you may not, after receipt of notice of this modification, reorder any type, brand or model from any supplier that is no longer approved. After your Business opens, you agree not to alter its fixtures, equipment, signs, or furniture without our express prior written approval.

You further agree to place or display at the Premises of your Business only such signs, emblems, lettering, and logos that are periodically approved in writing by the Company. You must display in your Business all (1) product identification materials; (2) point-of-purchase promotional materials; (3) promotional memorabilia, merchandise and prizes; and (4) other advertising and marketing materials we provide you pursuant to Section 10 below for use by Businesses.

In operating your Business, you must purchase and use the number of electronic cash registers and other point-of-sale (POS) equipment necessary for the size of your Business. We may require that you purchase a particular brand or model of electronic cash register or other POS equipment, and any electronic cash register or POS equipment that you use must be capable of collecting and generating sales data, category totals, transaction count totals and other information we periodically may reasonably require. You must record all sales on computer-

based cash registers which are fully compatible with our computer systems and which include a seamless information interface capability of fully integrating electronically into our centralized computer system. You must purchase or lease, at your expense, POS and computer hardware and software systems and install a dedicated broadband Internet connection for service support and optional polling services, power lines, modems, printers, routers, network cards, and other computer-related accessories and peripherals as may be required for a standard interface, for the purpose of, among other functions, the recording and transmission of financial and customer data to centralized data collection systems. We may require you to use proprietary software and other computer systems which we periodically may prescribe, and you must promptly sign agreements and/or pay fees as may be required to integrate enterprise tools and procedures.

You acknowledge and understand that we may transfer data and information from your Business's POS system and other systems via a remote-access web-based program, Internet, the Franchise Website, or other types of electronic data transfer (to "**Poll**"). You acknowledge that we have the right to Poll at any time, at our sole discretion, and you must set up your systems to maintain and facilitate this Polling. You acknowledge and agree that we have the right to review your sales numbers on a daily basis or as frequently as we deem appropriate.

You must provide assistance as may be required to connect your Business's POS and computer systems with our centralized computer systems. We shall have the right to periodically retrieve such data and information from your computer system deemed necessary or desirable, and you must fully cooperate with such efforts. In view of the contemplated interconnection of computer systems and the necessity that these systems be compatible with each other, you agree that you will comply strictly with all defined standards and specifications for items associated with your computer system.

To ensure operational efficiency and optimum communication capability among computer systems installed at Cookie Co.TM Businesses, you agree, at your expense, to keep your computer systems in good maintenance and repair, and to promptly install the upgrades, additions, changes, modifications, substitutions, and/or replacements of hardware, software, data connectivity, electrical power, and other computer-related facilities, as we direct.

You must upgrade or replace financial and inventory data processing and communications systems, including the POS system and back-office computer system, to conform with current security requirements and system upgrades, whenever we require it. You are responsible for the security of data located on and transmitted from your internal network. You are responsible to configure your network and all connected systems to ensure data security. You acknowledge that we have no obligation to assist you in obtaining hardware, software, or related services. There are no contractual limits on the frequency or cost of your obligation to obtain these upgrades.

You recognize and acknowledge that we have the right to require you to modify or discontinue use of the POS system or any of its functions if we determine that it becomes advisable at any time. In this case, you must comply with our directions to modify or discontinue the use of the POS system or any of its functions or use a new POS system or specific POS system function within a reasonable time after notice from us. You acknowledge that you must bear all costs and expenses applicable to your Cookie Co.TM Business should we decide to modify the POS system or adopt a new POS system. Additionally, you must bear all costs and expenses related to any on-going POS system functions or modules, service, maintenance or support fees. We will have no liability or obligation whatsoever with respect to any required modification or discontinuance of the POS system or the installation, training, and use of a new POS system. Also, we are not obligated to reimburse you for any loss of goodwill associated with any modification or discontinuance of the POS system or the installation and use of a new POS system or for any expenditure made by you to train your Business staff on the new POS system.

You must purchase, install and begin using any required POS system, computer hardware and software in your Business within 60 days of our notice to you. We have the right to require you, at your sole expense, to upgrade any required computer hardware and software, once established, to meet our then-current standards and specifications.

E. BUSINESS OPENING.

You will prepare and furnish to us an opening advertising and promotional plan and budget for your Business (the “**Grand Opening Plan**”) which will contain a plan and budget for publicity, advertising, promotion, staffing, decoration and operation during the Opening Period (as defined below). You must submit a Grand Opening Plan (including the budget) to us for approval at least 60 days before your Business’s targeted opening date. You must use the types of advertising media specified in the approved Grand Opening Plan and the Operations Manual. You must spend not less than Ten Thousand Dollars (\$10,000) for advertising and promotion of the opening of your Business (the “**Grand Opening Expenses.**”) The Grand Opening Expenses will be for materials and marketing services expenses—such as media costs—and will not include staffing, discount or food costs. You must submit proof of then current advertising and marketing expenditures to us 10 days before the opening of your Business and again 60 days after opening. Your Grand Opening Plan must be implemented 30 days before your Business’s targeted opening date and for 60 days following the commencement of your Business’s operation (such 90-day period referred to herein as the “**Opening Period**”). In our sole and absolute discretion, we may require that you pay to us or to an account designated by us the amount of \$10,000 any time after ninety (90) days prior to your scheduled opening date for the purpose of ensuring and verifying the implementation of the Grand Opening Plan and the proper use and payment of the Grand Opening Expenses in accordance with our then-current policies and procedures.

If you (or any of your Affiliates) have not previously owned or managed a Cookie Co.™ Business, or if you request, we will provide you with opening operational assistance as we may deem appropriate to assist you in starting your operations, including on-site opening assistance, as scheduled by us. You may be required to pay for the expenses of personnel, including airline and other transportation costs, meals, lodging and salaries.

4. TRAINING AND GUIDANCE.

A. TRAINING.

Upon signing your Franchise Agreement, you and your Operating Partner, General Manager and any of your designated Personnel must successfully complete the appropriate certified training programs before opening your Business. Thereafter, any person who replaces your Operating Partner, General Manager or any other trained Personnel must successfully complete the appropriate certified training program before assuming the particular position. We may require you or your Operating Partner and other Personnel to attend and successfully complete periodic or additional training programs.

We provide mandatory certified training for you and your Operating Partner, General Manager, and other necessary Personnel as part of the initial franchise fee described below, at our training facility or corporate-affiliated Business in Utah County, Utah, or at another facility that we may at our discretion designate. Currently, we are not charging a fee for attendance at any training programs. However, we reserve the right to charge a tuition or training fee for each additional Operating Partner, Owner, General Manager, or other Business manager that attends any training programs in the future. Your initial General Manager must successfully complete a Cookie Co.™ certification test at the end of the training period. If the General Manager does not pass the training then we reserve the right to prevent you from opening your Business until such time as such individual passes the training. Operating the Business without a certified General Manager is a material breach of this Franchise Agreement. We are not responsible for any compensation or expenses (including training materials, travel, meals, lodging and incidental expenses) for you and your trainees during these training programs. You must immediately replace any individual who fails to successfully complete any training program. Such replacement Personnel must successfully complete the training program.

You, your Operating Partner and your General Manager will also be required to attend a “Brand Immersion” meeting prior to opening your first Business. The Brand Immersion meeting is to acquaint you, your Operating Partner and your General Manager with Cookie Co.™’s System. If this is your first Business, you, your Operating Partner and your General Manager are required to attend the next scheduled Brand Immersion meeting.

Under no circumstances shall you permit management of your Business by a person who has not completed all phases of our training program to our satisfaction. We have the right to charge a fee for the training for subsequent managers, which you must pay at least 10 days before the beginning of training.

In addition to this training, if this Agreement pertains to the opening of your first Cookie Co.TM Business, we will provide you at your option with at least one Cookie Co.TM certified trainer selected by us for on-site training associated with the Opening Period. We will not charge you a training fee for this assistance, but we may require you to pay for the trainer's salary, reasonable living expenses and transportation costs during this on-site training period.

We may periodically require or permit you to implement, at your expense, programs for the training of all or some of your Personnel. Before training any of your Personnel, your training programs must be certified by us as meeting our standards. You must periodically obtain re-certification of your training programs; and we may withhold certification if we determine, in our sole discretion, that your training programs do not meet our standards.

B. REFRESHER TRAINING.

We have the right to require you, your Operating Partner, and/or previously trained and experienced managers and other employees to attend periodic refresher courses at the times and locations that we designate. We have the right to charge fees for refresher training courses. We also may, but are not required to, make additional training available to you at your request, and may charge a fee for additional training. You are responsible for all compensation and expenses (including training materials, travel, meals, incidental expenses, and lodging) for you and your trainees during these training programs.

C. HIRING AND TRAINING OF EMPLOYEES BY FRANCHISEE.

You are responsible for all employment decisions with respect to your staff, including hiring, firing, compensation, training, supervision and discipline, regardless of whether you receive advice from us on any of these subjects. . You may not recruit or hire any person who is an employee of ours or of any Cookie Co.TM Business operated by us, our Affiliates or another franchisee of ours without obtaining the respective employer's consent, which consent may be withheld for any reason. Likewise, we may not recruit or hire any person who is an employee of yours or your Affiliates without obtaining the employer's consent, which consent may be withheld for any reason. You must maintain at all times a staff of employees, who have been trained pursuant to our guidelines and requirements, sufficient to operate your Business in compliance with the System Standards.

D. GUIDANCE.

Although we do not have the obligation to do so, we may maintain a continuing advisory relationship with you, including consultation in the areas of marketing, Business operations and customer service. We may advise you periodically of operating problems of your Business disclosed by reports submitted to or inspections made by us and may furnish to you guidance in connection with methods and procedures used by Cookie Co.TM Businesses, including improvements and changes to the System Standards. This guidance shall, in our discretion, be furnished via our Operations Manual or business practices for Cookie Co.TM Businesses, electronic mail, Cookie Co.TM Intranet site, officialcookieco.com, bulletins, other written materials, telephone consultations and/or consultations at our office or at your Business or by any other means of communications. Any additional guidance, training, or support we consider necessary, in our sole discretion, as a result of concerns with the operations or performance of your Business, will be provided by us at your sole cost and expense. The cost of any additional guidance, training, or support special assistance for which you must pay includes, but is not limited to, per diem fees and other charges we may establish occasionally at our discretion.

You or your operating partner, as well as your General Manager, must attend our annual Cookie Co.TM Conference each year. You also must participate in person in an annual Franchise Business Review meeting with us, either at our annual franchisee retreat or at our offices in Lehi, Utah. We do not charge any fees for the

Conference or Franchisee Business Review, but attendees are responsible for their own travel, lodging, and other incidental costs of attending.

E. OPERATIONS MANUAL.

We will loan to you during the term of this Agreement one copy of our Business operations manual (the “*Operations Manual*”). We have the right, at our option, to furnish or make available to you the Operations Manual in the form of paper copies, electronic copies, or electronic copies accessed through the Internet or other communication systems. The Operations Manual contains mandatory and suggested specifications, standards and operating procedures for Cookie Co.TM Businesses, and contains information relating to your other obligations under this Agreement. You must comply fully with all mandatory standards, specifications, and operating procedures and other obligations contained in the Operations Manual. Failure to materially comply with the Operations Manual is a material breach of this Agreement. We have the right to modify the Operations Manual in the future to reflect changes in the image, specifications, standards, procedures, and System Standards. As we provide updates to the Operations Manual, you must keep your copy thereof current. If a dispute develops relating to the contents of the Operations Manual, our master Operations Manual will be controlling. The Operations Manual contains Confidential Information, and you agree not to copy at any time any part of the Operations Manual, either physically or electronically, provided that you may print out one current copy of any Operations Manual that we provide in electronic format and keep it at the premises of your Business. You agree not to allow unauthorized persons access to the Cookie Co.TM intranet sites, including the Franchise Website.

5. THE MARKS.

F. OWNERSHIP AND GOODWILL OF THE MARKS AND TRADE SECRETS.

You acknowledge (i) that the Company and/or its Affiliates (“*Licensor*”) are owners of certain rights to the Marks, and (ii) that your right to use the Marks is derived solely from this Agreement and is limited to the conduct of business by you pursuant to and in compliance with this Agreement and all applicable standards, specifications and operating procedures prescribed by the Company periodically during the term of the Franchise. Any unauthorized use of the Marks by you shall constitute a breach of this Agreement and an infringement of the rights of the Company and/or Licensor in and to the Marks. You acknowledge and agree that all usage of the Marks by you and any goodwill established by it shall inure to the exclusive benefit of the Company and/or Licensor and that this Agreement does not confer any goodwill or other interests in the Marks upon you (except the right to operate a Cookie Co.TM Business in compliance with this Agreement). All provisions of this Agreement applicable to the Marks shall apply to any additional proprietary trade and service marks and commercial symbols authorized for use by and licensed to you by the Company. You acknowledge that as of the date of this Agreement, some or all of the Marks may not have been registered with any state or federal agency. You may not at any time during or after the Term contest, or assist any other person or entity in contesting, the validity or ownership of any of the Marks.

You hereby acknowledge that Franchisor or one or more of Franchisor’s Affiliates owns and controls the distinctive plan and trade secrets for establishing, operating, and promoting Cookie Co.TM Businesses and all related licensed methods of doing business which include, but are not limited to, recipes, menu items, and baking methods; technical Business equipment standards; order and take-out fulfillment methods; customer relations; marketing techniques; written promotional materials, Operations Manual, Recipe Books and Training Program Manual contents; advertising; financial reports; and accounting systems (the “*Trade Secrets*”). The Trade Secrets may belong to Franchisor’s Affiliates and may have been licensed to Franchisor, and you acknowledge that Franchisor and its Affiliates have valuable rights in and to the Trade Secrets. You further acknowledge that all innovations, additions, or improvements made to the Marks or System Standards, even if by you, shall belong to Franchisor and its Affiliates.

G. LIMITATIONS ON FRANCHISEE’S USE OF THE MARKS.

You must use the Marks as the sole identification of your Business, provided that you are identified as the independent owner in the manner prescribed by us. You must use only the Marks as we prescribe in connection

with your Business and the sale of authorized food products, beverages, and services. You shall ensure that all Copyrights used hereunder shall bear an appropriate copyright notice under the Universal Copyright Convention or other copyright laws prescribed by us. Any unauthorized use, adaptation, publication, reproduction, preparation of derivative works, distribution of copies (whether by sale or other transfer or ownership, or by rental, lease or lending), or attempts to recreate all or a portion of these Copyrights shall constitute a breach of this Agreement and an infringement of the rights of the Company and/or Licensor in and to the Marks and to the Copyrights. You may not use the subject matter of any of the Patents in any other manner not expressly authorized by us in writing. You must agree to mark all products and equipment as directed by us in a legible manner in some conspicuous place with patent markings in compliance with the requirements of the United States patent laws. You shall not use any Mark (or any abbreviation, modification or colorable imitation) as part of any corporate or legal business name or trade name or any Internet-related use such as an electronic media identifier, for social media pages, social handles, websites, web pages or domain names not expressly authorized by us in writing, or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed to you under this Agreement), or in any modified form or in any other manner; nor may you use any Mark in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized in writing by the Company. You must prominently display the Marks in the manner prescribed by the Company, to give such notices of trade and service mark registrations as the Company specifies, and to obtain such fictitious- or assumed-name registrations as may be required under applicable law. In addition to all other rights we may have for unauthorized use of the Marks or the sale of unauthorized products or services, you must reimburse us for any damages, liability or expenses incurred by us arising out of your sale of any unauthorized product or service or for any damages, liability or expenses incurred by us arising out of your use of the Marks in an unauthorized manner. If any of the fees payable pursuant to Section 6 below are for the right to use the System Standards, such fees are all-inclusive and are not allocated among any of the various rights, including the Marks or any components of the Marks, that comprise the System Standards.

You and your Owners acknowledge that we are the lawful, rightful, and sole owner of www.officialcookieco.com domain name and unconditionally disclaim any ownership interest in that phrase or any similar Internet domain name, including www.officialcookieco.net. You and your Owners agree not to register any Internet domain name or handle in any class or category that contains the words “Cookie Co.™” or any abbreviation, acronym, or variation of those words.

You and your Owners agree to use the Cookie Co.™ Franchise Website and social media websites in strict compliance with the standards, protocols and restrictions set forth in the Operations Manual, as updated from time to time. You and your Owners agree to implement all reasonable procedures we periodically prescribe to prevent unauthorized use and strict compliance with the standards, protocols and restrictions set forth in the Operations Manual regarding the use of the Franchise Website among your Operating Partner, vendors, General Managers, assistant managers and the like.

You and your Owners recognize and understand the crucial importance of not transmitting a user’s Confidential Information, documents or data via www.cvfranchise.com, internal website, intranet, or Internet without first encrypting the transmission with the encryption program we may either require you to purchase or approve of your purchase. You and your Owners recognize and understand the crucial importance of a user’s refraining from making derogatory, defamatory, or libelous statements in an intranet or Internet transmission.

H. NOTIFICATION OF INFRINGEMENT AND CLAIMS.

You shall immediately notify the Company of any apparent infringement of or challenge to your use of any Mark, or claim by any person of any rights in any Mark, and you shall not communicate with any person other than the Company and its counsel in connection with any such infringement, challenge or claim. The Company and/or Licensor shall have sole discretion to take action as it or they may deem appropriate and shall have the right to exclusively control any litigation or U.S. Patent and Trademark Office proceeding or other administrative proceeding arising out of any infringement, challenge or claim or otherwise relating to any Mark. You must sign any and all instruments and documents, render assistance and do such acts and things as may, in the opinion of the Company’s or Licensor’s counsel, be necessary or advisable to protect and maintain the interests of the

Company and Licensor in any litigation or proceeding or to otherwise protect and maintain the interests of the Company and Licensor in the Marks.

I. INDEMNIFICATION OF FRANCHISEE.

The Company agrees to indemnify you against and to reimburse you for all damages for which you are held liable in any proceeding arising out of his use of any Mark, pursuant to and in compliance with this Agreement and for all costs reasonably incurred by you in the defense of any claim or in any proceeding in which you are named as a party, provided that you have timely notified the Company of any such claim or proceeding and have otherwise complied with this Agreement. The Company is entitled to prosecute, defend and/or settle any proceeding arising out of your use of any Mark pursuant to this Agreement, and if the Company undertakes to prosecute, defend and/or settle any matter, we have no obligation to indemnify or reimburse you for any fees or disbursements of any legal counsel retained by you.

J. DISCONTINUANCE OF USE OF THE MARKS.

If it becomes advisable at any time in the Company's sole discretion for the Company and/or Franchisee to modify or discontinue use of any Mark and/or use one or more additional or substitute elements of the Mark due to priority of use by another party of the same or a confusingly similar mark, and/or use one or more additional or substitute trade or service marks, you must comply within 14 days after notice by the Company of its modification or discontinuance of any Mark. Neither the Company, Licensor nor any of their Affiliates shall have any liability or obligation whatsoever with respect to any required modification or discontinuance of use of any of the Marks or the promotion or use of a substitute Mark, except as otherwise provided in this Section.

6. FRANCHISE FEES.

A. INITIAL FRANCHISE FEE.

You shall pay to the Company a nonrecurring and nonrefundable initial franchise fee of **\$25,000**, payable when you sign this Franchise Agreement. If this Agreement is signed pursuant to an Area Development Agreement, the initial franchise fee is subject to any applicable credit of the area development fee and is payable on signing of this Agreement. The initial franchise fee is fully earned by the Company as of the date hereof.

B. ROYALTY AND SERVICE FEES (ROYALTY FEES).

During the entire term of this Agreement, you shall pay to the Company a continuing fee equal to a percentage of the monthly Gross Revenue of your Business (the "**Royalty Fee**") as described in this paragraph. You shall pay to the Company a Royalty Fee of 8% of weekly Gross Revenue. Payment shall be due weekly by 5:00 p.m., Mountain Standard or Daylight Time, as the case may be, on Wednesday of each week, or as otherwise designated by us, but not more frequently than weekly (or on such other reasonable date that we shall periodically designate). Any payment or report not actually received by us on or before such date shall be deemed overdue. If any state imposes a sales or use tax on continuing royalties, then you must pay for or reimburse us for these taxes imposed on the Royalty Fee due to us under this Agreement.

As set forth in this Agreement, you acknowledge that we have the right to Poll information from your Business's POS system and other systems via remote access, e-mail, web-based programs and protocols, Internet, the Franchise Website, or other types of electronic data transfer to determine your Business's Royalty Fee for any Reporting Period. We have the right to access your Business's POS system at any time to Poll your Business's Gross Revenue and other financial information, at our sole discretion, and you must set up your systems to maintain and facilitate such Polling.

C. INTEREST AND LATE FEES.

If any payment is overdue, you shall pay to us, in addition to the overdue amount, interest on such amount from the date it was due until paid, at a rate which is stated below, or the maximum rate permitted by law. Entitlement to such interest shall be in addition to any other remedies we may have. Your failure to have sufficient funds available in the designated account in an amount equal to any amount then due or your failure to pay all

amounts when due constitutes grounds for termination of this Agreement, as provided in Section 14 and 15 below, notwithstanding the provisions of this Section 6.C. To compensate us for our increased administrative costs of handling late payments, we shall have the right to charge a fee of \$100 for each delinquent payment to us, due immediately upon becoming delinquent. All Royalty Fees and advertising contributions, and all other amounts which you owe to us shall also bear interest after coming due at the highest applicable legal rate for open-account business credit, but not to exceed 1.5% per month. You acknowledge that this Section 6.C shall not constitute our agreement to accept any payments after same are due or commitment by the Company to extend credit to, or otherwise finance your operation of, your Business. You shall also pay a \$25.00 late fee for each delinquent report, due when the report becomes delinquent, and shall incur an additional \$25.00 late fee for each day that the report continues to be delinquent. We may require you to pay any and all late fees by way of automatic withdrawal (ACH) from an account designated by you.

D. APPLICATION OF PAYMENTS.

Notwithstanding any designation by you, the Company shall have the sole discretion to apply any payments by you to any past-due Royalty Fees, advertising contributions, purchases from company, interest or other indebtedness. The Company also has the right to direct the method of payment of any amounts due to us or our Affiliates from you under this Agreement, including Royalty Fees due, through payment by automatic withdrawal (ACH) or wire transfer from an account designated by you. All costs and expenses of establishing and maintaining such designated account, including transaction fees and wire transfer fees, shall be paid by you. You must complete any form necessary to authorize and direct your bank or financial institution to pay and deposit any payments due to the Company directly to the Company's account. The Company's current form of ACH authorization is attached as Exhibit F. If payments are made by automatic withdrawal, you must retain sufficient funds in its account to cover all these withdrawals. If sufficient funds are not available in the designated bank account at the time of an electronic transfer to pay fees that are due to us or our Affiliates, we have the right to charge a service fee, subject to applicable law. Also, as stated in Section 6.C above, you acknowledge that your failure to have sufficient funds available in the designated account in an amount equal to any amount then due or your failure to pay all amounts when due, constitutes grounds for termination of this Agreement, as provided in Sections 14 and 15 below, notwithstanding the provisions in Section 6.C above. You agree that you will not withhold payment of any amount due and payable to us on the grounds that we have not performed any of our obligations under this Agreement.

7. YOUR ORGANIZATION AND MANAGEMENT.

A. ORGANIZATIONAL DOCUMENTS.

If you are, or at any time become, a business corporation, partnership, limited liability company or other legal entity, you and each of your Owners represent, warrant, and covenant that: (1) you are duly organized and validly existing under the laws of the state of your organization, and, if a foreign business corporation, partnership, limited liability company or other legal entity, you are duly qualified to transact business in the state in which your Business is located; (2) you have the authority to sign and deliver this Agreement and to perform your obligations hereunder; (3) true and complete copies of the articles or certificate of incorporation, articles of organization, operating agreement or principles, partnership agreement, bylaws, subscription agreements, buy-sell agreements, voting trust agreements and all other documents relating to your ownership, organization, capitalization, management and control (collectively, the "**Organizational Documents**") shall be promptly delivered to us for our approval, which approval shall not be unreasonably withheld; (4) any and all amendments, deletions and additions to your Organizational Documents shall be promptly delivered to us for our approval, which approval shall not be unreasonably withheld; (5) your activities are restricted to those necessary solely for the development, ownership and operation of Cookie Co.TM Businesses in accordance with this Agreement and in accordance with any other agreements entered into with us or any of our Affiliates; (6) the Organizational Documents state that the issuance, transfer or pledge of any direct or indirect legal or beneficial ownership interest is restricted by the terms of this Agreement; (7) all certificates representing direct or indirect legal or beneficial ownership interests now or hereafter issued must bear a legend in conformity with applicable law reciting or referring to these restrictions; and (8) you will deliver to us a secretary's/clerk's certificate or other evidence satisfactory to us, that the signing, delivery and performance of this Agreement and all other agreements and

ancillary documents contemplated hereby or thereby have been duly authorized by all necessary action by your corporation, partnership, limited liability company or other legal entity, as applicable.

B. DISCLOSURE OF OWNERSHIP.

If you are an entity (a corporation, general partnership, joint venture, limited partnership, limited liability partnership, limited liability company, trust, estate or other business entity), then you must complete the Ownership Addendum attached hereto as Exhibit B, which identifies each of your Owners and Investors, and each of your Owners must sign our then-current form of personal guaranty (the “*Guaranty*”).

You and each of your Owners represent, warrant and agree that Exhibit B is current, complete and accurate. You agree that an updated Exhibit B will be furnished within 30 days of any change, so that Exhibit B (as so revised and signed by you) is at all times current, complete and accurate. Each person who is or becomes an Owner must sign a Guaranty in the form we may choose to prescribe, undertaking to be jointly and severally bound by the terms of this Agreement, the current form of which is attached hereto as Exhibit C. Each person who is or becomes an Investor must sign an agreement in the form we prescribe, undertaking to be bound by the confidentiality and non-competition covenants contained in this Agreement, the current form of which is attached hereto as Exhibit E. Each Owner and Investor must be an individual acting in his or her individual capacity, unless we waive this requirement.

You must designate in Exhibit B an individual (your “*Operating Partner*”) approved by us who must: (1) be engaged full-time in the business of your Cookie Co.TM Businesses; (2) have the authority to bind you regarding all operational decisions with respect to your Cookie Co.TM Business(s); and (3) have completed our training to our satisfaction.

Your Operating Partner: (1) shall exert his/her full-time and best efforts to the development and operation of your Business and all other Cookie Co.TM Businesses you own; and (2) may not engage in any other business activity, directly or indirectly, that requires substantial management responsibility or time commitments or otherwise may conflict with your obligations hereunder. You must provide us with a copy of any proposed arrangement, agreement or contract, including any amendments thereto, with your Operating Partner for our prior review and approval, and upon approval thereof, signed copies thereof. Such agreement must include a provision that if the Operating Partner is terminated, for whatever reason, he/she shall not for a period of two years after such termination (or such lesser period as may be prescribed by applicable law), recruit or hire any person who is an employee of yours, ours, or any Cookie Co.TM Business operated by us, our Affiliates, or any franchisee of ours without obtaining the employer’s consent, which consent may be withheld for any reason. We shall have no responsibility, liability or obligation to any party to any arrangement, agreement or contract, or any amendments, on account of our approval thereof or otherwise, and you must indemnify and hold us harmless with respect thereto. Your Business at all times must be managed by your Operating Partner. Your Operating Partner must complete our training programs to our satisfaction, as more fully set forth in Section 4.A above.

If the relationship with your Operating Partner terminates, you must have in place a qualified replacement Operating Partner within 90 days from the termination date of the former Operating Partner. Failure to notify us of your Operating Partner’s termination or failure to hire or select a successor Operating Partner who satisfies the requirements provided for in this Section will be considered a material breach of this Agreement.

C. GENERAL MANAGER.

We go to great lengths to ensure the quality and integrity of the finished product. Optimum Business performance requires specialized leadership in the form of a duly selected and trained general manager (the “*General Manager*”). The General Manager fully dedicates his/her time to the management of the Business Personnel. To ensure the integrity and quality of our products, the General Manager position must be a full-time position and may not be combined with a district manager, Operating Partner, or any other position. We may periodically change the organizational structure of Cookie Co.TM Businesses, in which case you must adopt the then-current structure.

Once you hire your General Manager, you must inform us in writing and submit him/her for the appropriate training. Before his/her employment, you must have him/her sign an agreement that he/she shall not for a period of two years after his/her termination (or such lesser period as may be prescribed by applicable law), recruit or hire any person who is an employee of yours, ours, or any Cookie Co.™ Business operated by us, our Affiliates, or any franchisee of ours without obtaining the employer's consent, which consent may be withheld for any reason. We shall have no responsibility, liability or obligation to any party to any arrangement, agreement or contract, or any amendments, on account of our approval thereof or otherwise, and you must indemnify and hold us harmless with respect thereto. If your General Manager is terminated, for whatever reason, you must inform us in writing of his/her status.

For your first franchise, your Operating Partner may function as the General Manager. However, if you or your affiliate owns more than one franchise, each such franchise must have its own General Manager, and your Operating Partner must be responsible for operations of all franchises owned by you or your affiliates.

Your General Manager must attend the annual Cookie Co.™ Conference. We are not responsible for any costs (such as travel costs, lodging, salary, etc.) associated with your General Manager's attendance at the Conference.

D. STORE ORGANIZATION.

Your Business must be staffed with at least one trained General Manager and appropriate numbers of assistant managers, shift supervisors, and food prep personnel so that all shifts are staffed by at least one assistant manager or shift supervisor, unless otherwise approved by us. You must inform us in writing of any changes in your General Manager. At all times that your Business is open for business, the food preparation must be supervised on-site by an individual who is ServSafe-certified, whether your General Manager, assistant manager, or other food-prep supervisor.

8. COOKIE CO.™ OPERATING STANDARDS.

A. CONDITION OF YOUR BUSINESS.

You must maintain the condition and appearance of your Business in accordance with the Operations Manual, consistent with the image of a Cookie Co.™ Business as an attractive, clean, and efficiently operated food service business. You must provide efficient and courteous service to your patrons. You must maintain your Business's condition and appearance and make such modifications and additions to its layout, décor, operations, and general theme as we periodically require, including interior and exterior repair and appurtenant parking areas, periodic cleaning of your Business premises, replacement of worn out or obsolete leasehold improvements, fixtures and signs, and periodic redecorating. If at any time the general state of repair, appearance, or cleanliness of your Business, or its fixtures, equipment, furniture, signs or utensils, does not meet our standards, we may notify you and specify the action you must take to correct this deficiency. If, within 10 days after receiving this notice, you fail or refuse to initiate the requested actions, we reserve the right to enter the Premises and do such maintenance on your behalf and at your expense. You must promptly reimburse us for this expense. We may collect payment for this expense by pre-authorized electronic bank transfer from your general account.

At our request, you may be required to complete a renovation, repair, modernization, and improvement of your Business and its fixtures, equipment, furniture, and signs as we may at our discretion deem appropriate. This work may include, without limitation, replacement or addition of signs, equipment, furnishings, fixtures, finishes, and décor items, both interior and exterior, and redesign of the layout of your Business, to reflect the then-current design standards and image of a Cookie Co.™ Business. This modernization and remodel of your Business does not include the upkeep, repair, and maintenance of your Business so that its condition and appearance is, at all times, consistent with the image of a Cookie Co.™ Business that is attractive, clean and offers a welcoming environment and pleasant ambiance. Your failure to make such repairs and maintenance, or to modernize your Business at our request, shall constitute a material breach of this Agreement.

You agree not to make any material replacements of or alterations to the Premises, leasehold improvements, layout, fixtures, furnishings, signs, equipment, or appearance of your Business as originally developed in accordance with the plans and specifications furnished by us without prior written approval by us.

B. UNIFORM IMAGE.

You agree that your Business will offer for sale cookies, baked goods, food, beverages and other products, services and merchandise related to the Cookie Co.™ concept that we periodically determine to be appropriate for your Business unless you receive written authorization to do otherwise. You must display in your Business all (1) product identification materials; (2) point-of-purchase promotional materials; (3) promotional memorabilia, merchandise and prizes; and (4) the advertising and marketing materials we provide you pursuant to Section 10 below for use by Businesses. You further agree that your Business will not, without our approval, offer any products or services (including promotional items) not then authorized by us, nor use Cookie Co.™'s designs or Marks, or variations or modified versions of such Marks, outside of the specifications approved by us. Your Business may not be used for any purpose other than the operation of a Cookie Co.™ Business in compliance with this Agreement. You agree that your Business will offer courteous and efficient service and a pleasant ambiance, consistent with your acknowledgments in Section 1.B above. You must ensure that all of your Business's employees follow our grooming and dress code and wear the full Cookie Co.™ uniform, in accordance with the Operations Manual, developed or approved by us. All uniforms and the like must be purchased from an Approved Supplier. You must maintain your Business open for business at a minimum during such hours as are customary for similar Businesses serving non-breakfast fare in the area on the following days: Monday through Saturday, including holidays other than Thanksgiving Day and Christmas Day. Your hours of operation may be subject to the requirements of your lease.

C. PURCHASE OF INGREDIENTS.

(1) **Requirement to Purchase Ingredients.** You acknowledge and agree that the cookies and baked goods sold at Cookie Co.™ Businesses are distinctive as a result of being made with ingredients manufactured or produced pursuant to proprietary processes (the “*Proprietary Ingredients*”) and that the Proprietary Ingredients and the food products into which they are made are all integral components of a Cookie Co.™ Business franchise and are inextricably interrelated with the Marks and the System. You further acknowledge and agree that a Cookie Co.™ Business franchise could not be offered efficiently or effectively without the inclusion of the Proprietary Ingredients as an essential and integral component of the System. You therefore agree to purchase your entire requirements of Proprietary Ingredients in accordance with the terms of this Section 8.C. Specifically, you must purchase exclusively from Designated Suppliers all those Proprietary Ingredients we periodically authorize to be produced by Designated Suppliers. Further, you must purchase from Approved Suppliers those Ingredients we periodically authorize to be produced by Approved Suppliers (the “*Licensed Ingredients*” and together with “Proprietary Ingredients, the “*Ingredients*”), subject to your right to purchase Licensed Ingredients from Alternative Approved Suppliers (as defined below) in accordance with Section 8.C. You must conform to mandatory specifications and quality standards, prepare and offer for sale only food products, beverages, and other merchandise approved in writing by us, and use only equipment, menus, paper products, packaging materials, and other supplies approved by us. We reserve the right to designate any Ingredient or product as a Proprietary Ingredient or as a Licensed Ingredient and the right to periodically re-designate at our discretion any Proprietary Ingredient as a Licensed Ingredient and *vice versa*. You acknowledge and agree that Designated Suppliers and Approved Suppliers have the right to profit from the sale of Ingredients and that we do not act as agent, representative, or in any other intermediary or fiduciary capacity for you in our relationship with any Designated Suppliers or Approved Suppliers.

(2) **Terms of Sale.** Provided that you and your Affiliates are in compliance with this Agreement and all other agreements with us and our Affiliates, we will cause Designated Suppliers and Approved Suppliers to sell reasonable quantities of Ingredients to you in accordance with the terms of this Section 8.C. All Proprietary Ingredients as well as Licensed Ingredients are sold at prices and on shipping terms periodically established by the supplier. Designated Suppliers and Approved Suppliers

shall not be liable for any delay in the delivery of products as a result of any cause beyond their reasonable control. Designated Suppliers and Approved Suppliers may periodically establish policies and procedures for the allocation and distribution of Ingredients among Cookie Co.TM Businesses.

(3) **Purchases from Alternative Approved Suppliers.** You have the right to purchase Licensed Ingredients from an alternative supplier approved by us in accordance with this Section and the Operations Manual. If you propose to purchase any Licensed Ingredients from a supplier who is not then an Approved Supplier, you and the proposed supplier must submit to us all information that we may reasonably request to determine whether or not to approve such proposed supplier. We will have the right to approve or disapprove any supplier, and we may approve a supplier conditionally. In evaluating a proposed supplier, we may, subject to restrictions and conditions to protect our Trade Secrets, Confidential Information and processes, disclose to the proposed supplier applicable standards, specifications, ingredients, recipes, processes, equipment and procedures for the item in sufficient detail to enable the proposed supplier to demonstrate its capacity and capabilities to supply the items in accordance with our requirements with respect thereto. Within 120 days after we receive all requested information, we will communicate to you in writing our decision to approve or disapprove your proposed supplier. We will evaluate proposed alternative suppliers on their ability to comply with applicable standards, specifications, Ingredients, recipes, processes and procedures, as well as their use of approved equipment, and we will only approve those proposed alternative suppliers that meet our high standards. You must notify us at least 30 days in advance before you first start purchasing any Licensed Ingredients from any alternative supplier who is already approved by us (in each case an “**Alternative Approved Supplier**”). We may disapprove any supplier who we previously approved, and you may not, after receipt of notice of such disapproval, reorder from any supplier we have disapproved.

D. SPECIFICATIONS AND STANDARDS.

You acknowledge that each and every aspect of the interior and exterior appearance, layout, décor, services and operation of your Business is extremely important to us and is subject to our specifications and standards. Consequently, you must comply with all mandatory System Standards and other specifications, standards and operating procedures and other obligations that we periodically prescribe (whether contained in the Operations Manual or any other written or oral communication to you), unless we grant you a written exception. More particularly, you must comply with all mandatory specifications, standards and operating procedures, as periodically modified relating to the appearance, function, cleanliness or operation of a Cookie Co.TM Business, including: (1) Ingredients uniformity, and manner of baking, preparation, packaging and sale of cookies, bakes goods and other food products and beverages and of all other products used in the packaging and sale of them; (2) sale procedures and customer service; (3) advertising and promotional programs; (4) qualifications, appearance, uniforms and dress of employees; (5) safety, maintenance, appearance, cleanliness, sanitation, standards of service and operation of your Business and its fixtures, equipment, furnishings, décor and signs; (6) days and hours of operation; (7) bookkeeping, accounting, and record keeping systems and forms; (8) training system for both management and hourly associates; and (9) product ordering procedures.

You must display in your Business as designated by us, a placard 10 inches tall by 12 inches wide (or as we may otherwise prescribe) containing the following statement: “This Business is owned and operated by a franchisee under a license from Cookie Co.TM.” You shall never make a statement or representation to any person that is contrary to or inconsistent with Section 5 of this Agreement.

As soon as you obtain a telephone number for your Business, you will sign and deliver to us for such number the Assignment of Telephone Numbers attached hereto at Exhibit H. If your Business’s telephone number changes during the Term, or if you add additional lines, you will promptly sign and deliver to us a new Assignment of Telephone Numbers for the new or additional numbers.

E. COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES.

You shall secure and maintain in force all required licenses, permits and certificates relating to the operation of your Business and shall operate your Business in full compliance with all applicable laws, ordinances and regulations including all government regulations relating to employment, occupational hazards and health, workers compensation insurance, unemployment insurance and withholding and payment of federal and state income taxes, social security taxes and sales taxes. You shall secure and maintain, and cause your Personnel to secure and maintain, ServSafe certifications such that a ServSafe-certified supervisor is supervising food preparation at all times while you are open for business. You shall, in all dealings with the customers, suppliers, the Company and the public, adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You must refrain from any business or advertising practice which may be injurious to the Company and the goodwill associated with the Marks and other Cookie Co.™ Businesses. You shall immediately notify the Company in writing of: (1) any action, suit or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency other governmental instrumentality, which may adversely affect the development, occupancy, operation or financial condition of you or your Business; or (2) the delivery of any notice of violation or alleged violation of any law, ordinance or regulation, including those relating to health or sanitation at your Business.

F. PERSONNEL.

Your Business must at all times be under the direct, on-premises supervision of a General Manager or assistant manager or a shift supervisor who has completed our training program and must be staffed by a sufficient number of competent hourly associates who have also completed the appropriate training. You (or your Operating Partner) at all times must remain active in overseeing the operations of your Business. If the relationship with your Operating Partner terminates, you must promptly hire a successor Operating Partner. Any successor Operating Partner must meet our approval and must successfully complete our training program. You are solely responsible for all employment decisions with respect to your Personnel, including hiring, firing, compensation, training, supervision and discipline, and regardless whether you receive advice from us on any of these subjects. You may not recruit or hire any person who is an employee of ours or of any Cookie Co.™ Business operated by us, our Affiliates or another franchisee of ours without obtaining the employer's consent, which consent may be withheld for any reason. Likewise, we may not recruit or hire any person who is an employee of yours or your Affiliates without obtaining the employer's consent, which consent may be withheld for any reason. If you fail to maintain in place a fully trained General Manager, then we may provide one (in each case, the "**Temporary GM**") at our sole discretion, but at your sole expense, until such time as you have in place a fully trained and approved General Manager. Such Temporary GM provided by us shall be an employee of the Company, but shall manage your operations. You agree that the following provisions shall apply if a Temporary GM is required pursuant to this Section:

(i) The Temporary GM is fully authorized to act on your behalf to manage the operations of your Business and its Personnel and to take all actions, including, without limitation, making payments on your behalf, necessary or advisable to (a) ensure compliance with this Agreement, the Operations Manual, and any other applicable agreements; (b) comply with applicable laws and regulations; and (c) provide for the operational success of your Business.

(ii) However, notwithstanding the foregoing subparagraph (i), we and the Temporary GM are not responsible for any debt or obligation of your Business or any loss, claim or damage (including, without limitation, loss of profits or investments as a result of financial failure of your Business) resulting or arising from the good-faith actions of the Temporary GM with regard to your Business during such time as he or she acts as Temporary GM (and for such periods before and after during which the Temporary GM may take actions necessary or advisable to ensure successful transitions), and you hereby indemnify us and hold us harmless for any such loss, claim or damage.

(iii) Placement of a Temporary GM pursuant to this Section shall be at our sole discretion. If you have not located and arranged for training of a new General Manager within 90 days or such other time period as you and we may agree, then we shall have the right to terminate this Agreement.

(iv) You shall be responsible to reimburse to us the salary or wages payable to the Temporary GM during such time as the Temporary GM provides services for your Business. You must also pay all incidental expenses associated with the provision of the Temporary GM such as travel costs, temporary housing, and the like. This obligation to pay salary/wages and incidental expenses shall be effective even if this Agreement is terminated pursuant to subparagraph (iii) above.

G. INSURANCE.

You must maintain in force: (a) all-risk property insurance, including fire and extended coverage, vandalism, and malicious mischief insurance, for the replacement value of your Cookie Co.TM Business and its contents, and including business-interruption insurance; (b) commercial general liability and product liability insurance that includes food-borne illness coverage; (c) commercial auto insurance; (d) workers' compensation insurance; and (e) umbrella liability. All insurance policies must: (1) be issued by carriers with an AM Best rating of A-, X, or better; (2) be written at the minimum amounts of coverage as set forth below; (3) name Cookie Co. Franchising, LLC and such of our Affiliates as we may from time to time designate as additional insureds under the general liability, products liability and commercial auto policies and loss payee under the property policy; (4) Cookie Co. Franchising, LLC, must be endorsed to all policies noted above to receive 30 days' notice of cancellation in the event of non-renewal and 10 days' notice in the event of nonpayment of premium. You must also provide certificates of insurance evidencing your insurance coverage in compliance with these minimums no later than 10 days before your Business opens and within 30 days each year when your policies renew.

Set forth below are types of minimum coverage amounts that we currently require for each franchised Cookie Co.TM Business per location:

COMMERCIAL GENERAL LIABILITY:

Occurrence Limit	\$1,000,000
General Aggregate Limit:	\$2,000,000
Products/Completed Operations Aggregate Limit:	\$2,000,000
Personal and Advertising Injury Limit:	\$1,000,000
Damage to Premises Rented to You:	\$1,000,000
Food Borne Illness Limit:	\$300,000

AUTOMOBILE LIABILITY:

Bodily Injury and Property Damage Combined Single Limit:	\$1,000,000
Hired and Non-Owned Liability Limit:	\$1,000,000

WORKERS' COMPENSATION:

Workers' Compensation:	STATUTORY \$1,000,000 per employee, bodily injury by disease;
Employer's Liability:	\$1,000,000 policy limit, bodily injury by disease; \$1,000,000 per employee, bodily injury by accident

UMBRELLA LIABILITY:

1 to 10 Businesses:	\$5,000,000 each occurrence (minimum) \$5,000,000 aggregate (minimum)
11-25 Businesses:	\$10,000,000 each occurrence (minimum) \$10,000,000 aggregate (minimum)
26 or more Businesses:	\$15,000,000 each occurrence (minimum) \$15,000,000 aggregate (minimum)

Upon 30 days prior notice to you, we may increase the minimum protection requirement as of the renewal date of any policy, and require different or additional kinds of insurance at any time, including excess liability (umbrella) insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances.

If you, at any time, fail or refuse to maintain in effect any insurance coverage required by the Company, or to furnish satisfactory evidence of it, the Company, at its option and in addition to its other rights and remedies under this Agreement, may, but need not, obtain this insurance coverage on your behalf, and you shall promptly sign any application or other forms or instruments required to obtain any insurance and pay to the Company, on demand, any costs and premiums incurred by the Company. At our request, you must furnish us with evidence of insurance coverage and payment of premiums as we require.

Your obligation to maintain insurance coverage is not diminished in any manner by reason of any separate insurance we may choose to maintain, nor does it relieve you of your obligations under Section 16.B below.

H. QUALITY CONTROL.

We may, in our sole discretion, establish quality control programs, such as a "secret shopper" program, an interactive voice response or web-based customer satisfaction measurement. You must participate in any such quality control programs at our discretion and bear your pro-rata share, as determined by us in our sole discretion, of the costs of any such program. We reserve the right to publish or disclose to other franchisees, in any manner or format that we deem appropriate in our sole discretion, any information that we collect, produce or maintain in connection with these quality control programs. We also reserve the right to publish or disclose to third parties in an aggregate anonymous format any information that we collect, produce or maintain in connection with these quality control programs. In addition to the quality control described above, we may inspect your Business from time to time and at any time to evaluate compliance with our System Standards.

I. PROVISIONS CONCERNING COMPLIANCE WITH ANTI-TERRORISM LAWS.

You, your Owners and your Affiliates agree to comply with and/or to assist us to the fullest extent possible in our efforts to comply with Anti-Terrorism Laws (as defined below). In connection with this compliance, you, your Owners and your Affiliates certify, represent, and warrant that none of your property or interests is subject to being “blocked” under any of the Anti-Terrorism Laws and that you, your Owners, and your Affiliates are not otherwise in violation of any of the Anti-Terrorism Laws.

For the purposes of this Section, “*Anti-Terrorism Laws*” means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists and any other requirements of any Governmental Authority (including the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

You, your Owners and your Affiliates certify that none of you, your Owners and your Affiliates, your employees, or anyone associated with you is listed in the Annex to Executive Order 13225. You agree not to hire any individual who is listed in the Annex. (The Annex is available at <http://www.treasury.gov/offices/enforcement/ofac/sanctions/terrorism.html>).

You, your Owners, and your Affiliates certify that you have no knowledge or information that, if generally known, would result in you, your Owners and your Affiliates, your employees, or anyone associated with you to be listed in the Annex to Executive Order 13224.

You, your Owners, and your Affiliates are solely responsible for ascertaining what actions must be taken by you to comply with the Anti-Terrorism Laws, and you specifically acknowledge and agree that your indemnification responsibilities set forth in Section 16.B of this Agreement pertain to your obligations under this Section 8.I.

Any misrepresentation by you under this Section or any violation of the Anti-Terrorism Laws by you, your Owners and your Affiliates, or your employees shall constitute grounds for immediate termination of this Agreement and any other Agreement you have entered with us or one of our Affiliates, in accordance with the terms of Section 14 of this Agreement.

J. CATERING POLICY.

You are hereby authorized during the Term to offer catering services from your Business, subject to your full compliance with the catering policies set forth in the Operations Manual and such other policies and guidelines that we may provide from time to time during the Term. **We may revoke this authorization at any time and for any reason by giving you written notice of such revocation.**

9. RESTRICTIVE COVENANTS.

A. CONFIDENTIAL INFORMATION.

You acknowledge that we possess certain Confidential Information (as defined in Section 1.D above) including, without limitation, proprietary knowledge consisting of the Ingredients and methods of preparation of cookies, baked goods and other food products sold at and operating procedures of Cookie Co.™ Businesses. We may disclose Confidential Information to you, your Owners, or your Personnel in the training program, Operating Manual and/or in guidance furnished to you during the Term of the Agreement. Each person who is or becomes an Investor must sign an agreement in the form we prescribe, undertaking to be bound by the confidentiality and non-competition covenants contained in this Agreement, the current form of which is attached hereto as Exhibit E.

We will disclose parts of our Confidential Information to you solely for your use in the operation of your Business. The Confidential Information is proprietary and includes our Trade Secrets. During the Term and thereafter: (1) you and your Owners may not use the Confidential Information in any other business or capacity (which you and your Owners agree and acknowledge would be an unfair method of competition); (2) you and your Owners must maintain the confidentiality of the Confidential Information; (3) you and your Owners may not make unauthorized copies of any portion of the Confidential Information disclosed in written, electronic, or other form; (4) you and your Owners must implement all reasonable procedures we periodically prescribe to prevent unauthorized use or disclosure of the Confidential Information, including the use of non-disclosure/non-compete agreements with your Owners, officers, directors, Operating Partners, General Managers, assistant managers, and the like, and you and your Owners must deliver these agreements to us; (5) you and your Owners must not disclose during or after the Term of the franchise any of the Confidential Information; (6) you, your Owners, General Managers, assistant managers, team trainers, shift supervisors, and all other Personnel who bake the cookies or prepare other food products will be required to sign a standard confidentiality agreement for any trade secrets and Confidential Information herein described and to conform with the covenants not to compete; (7) you and/or your Owners must immediately notify us if there is an improper disclosure and if it is determined that there was negligence in protecting the behavior, you can be sued for damages; and (8) you and your Owners acknowledge that we have no obligation to reimburse you or provide any remuneration for implementing all reasonable procedures that we periodically prescribe to prevent unauthorized use or disclosure of the Confidential Information.

At the end of the Term, you and your Owners must deliver to us all Confidential Information in your possession or control. Your restrictions on disclosure and use of Confidential Information do not apply to information or techniques which are or become generally known in the Business industry (other than through your own disclosure), provided you obtain our prior written consent to such disclosure or use. If any of the Confidential Information which has been disclosed to you pursuant to this Agreement becomes generally known in the food service industry other than through your default in the obligations under this Agreement, and you desire to be released from the secrecy obligations under this Section in respect to this information, we will not unreasonably withhold our consent to this release.

Notwithstanding the foregoing provisions of this Section 9.A, you must comply with all applicable federal, state and local laws, including any restrictions on post-termination non-competition agreements. In the event of a conflict between the terms of this Agreement and any such laws, your obligation to comply with the laws shall supersede this Agreement, but only to the narrowest extent necessary to ensure compliance with such laws. By way of illustration only: If this Agreement calls for a post-termination non-competition agreement to extend for two years after termination but applicable state law only allows such agreements to extend for one year, then an agreement which extends for one year may be deemed to comply with this Agreement; but an agreement that extends for less than one year would not be in compliance with this Agreement.

B. IN-TERM COVENANTS.

You agree and acknowledge that the Company would be unable to protect the Confidential Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among Cookie Co.[™] Businesses if franchised owners of Cookie Co.[™] Businesses or the manager or other key personnel of your Business and Entity were permitted to hold interests in or perform services for a Competitive Business (defined below). You also agree that we have granted the franchise to you in consideration of and reliance upon your agreement to deal exclusively with us in any business similar to Cookie Co.[™]. Therefore, you agree (and agree to cause all Owners if Franchisee is an Entity, and all other Restricted Persons), during the term of this Agreement, not to have any direct or indirect interest in a Competitive Business, or perform services of any type as an owner, director, officer, employee, consultant, representative or agent, or in any other capacity, in any retail food establishment (including any Business) in which cookies or baked good constitutes more than 30% of its revenues or 30% of its menu items or any franchisor or licensor of the same (each a “**Competitive Business**”). The restrictions of this Section including the definition of Competitive Business, will not apply to: (1) the ownership of shares of a class of securities listed on a public stock exchange or traded on the over-the-counter market that represent two percent (2%) or less of the number of shares of that class of securities issued and outstanding; or

(2) the ownership or operation of other Cookie Co.TM Businesses that are licensed or franchised by us or any of our Affiliates. Further, you agree during the term of this Agreement that you shall not hire any employee who, within the immediately preceding six months, was employed by the Company or any other franchisee or licensee of us, without obtaining the prior written permission of us or the franchisee or licensee pursuant to Section 4.C of this Agreement.

C. INFORMATION EXCHANGE.

All recipes, processes, ideas, concepts, methods, techniques, or materials used or useful to a Business, grocery store, or other business offering cookies or baked good, whether or not constituting protectable intellectual property, that you create, or that are created on your behalf, in connection with the development or operation of your Business must be promptly disclosed to us. If we adopt any of them as part of the System, they will be deemed to be our sole and exclusive property and deemed to be works made for hire for us. You must sign whatever assignment or other documents we request to evidence our ownership or to assist us in securing intellectual property rights in these recipes, processes, ideas, concepts, methods, techniques, or materials.

10. MARKETING AND ADVERTISING.

A. LOCAL MARKETING FUNDS (LMF).

You must spend for locally advertising and promoting your Business those amounts we periodically establish, but no less than two percent (2%) of Gross Revenue during any period consisting of four of your consecutive fiscal quarters. These amounts spent on local advertising and promotion will be designated as Local Marketing Funds (“**LMF**”). At our request, you shall furnish us with copies of invoices and other documentation evidencing your compliance with this Section 10.A. If we determine, at some later date, that you have spent an amount less than two percent (2%) of Gross Revenue during the then most recently completed four consecutive fiscal quarters for locally advertising and promoting your Business, we may collect LMF contributions directly. If we change the amount of LMF you must spend, we shall provide you with not less than 30 days’ notice of such change. LMF contributions, if collected by us, will be payable on the first business day following the immediately preceding Reporting Period together with the Royalty Fees dues hereunder. At our discretion, said funds may be electronically drafted or transferred from the designated account referred to in Section 6.D above. The LMF monies will be used to pay for the cost of implementing local marketing plans developed by you and approved by us. For these purposes, qualifying LMF expenditures include: (i) amounts contributed to advertising associations; (ii) amounts spent by you for advertising media, such as television, radio, Internet, digital, social media, newspaper, print, billboards, posters, direct mail, collateral and promotional items, and advertising on public vehicles (transit and aerial) and, (iii) if not provided by us, the cost of producing approved materials necessary to participate in these media. Non-qualifying LMF advertising expenditures include amounts spent for items which we, in our reasonable judgment, deem inappropriate for meeting the minimum advertising requirement, including permanent on-premises signs and menu-board hardware, lighting, administrative costs, discounts/free offers, purchase of a catering vehicle and employee incentive programs. Our detailed list of qualifying and non-qualifying LMF expenditures is revised periodically. We reserve the right to designate any expenditure as a qualifying or non-qualifying LMF expenditure and the right to periodically re-designate at our discretion any qualifying expenditure as a non-qualifying expenditure and *vice versa*.

B. NATIONAL MARKETING FUND (NMF).

Although we do not currently have such a fund, we may, in our sole discretion, during the term of this Agreement, establish and administer a National Marketing Fund (the “**NMF**”) for the creation and development of marketing, advertising and related programs and materials, including electronic, print and Internet media as well as the planning and purchasing of national and/or regional network advertising. Upon the establishment of a NMF, you must contribute amounts that we periodically establish, up to two percent (2%) of Gross Revenue, and payable on the first business day following the immediately preceding Reporting Period together with the Royalty Fees due hereunder. At our discretion, NMF contributions may be electronically drafted or transferred from the designated account referred to in Section 6.D above. Cookie Co.TM Businesses owned by us and our Affiliates shall contribute to the NMF on the same basis as the then-current rate for franchisees. We reserve the right to

increase or modify the two percent (2%) maximum limit on NMF contributions (as well as the maximum limits on the LMF and the MAF contributions) in the future by gaining an approval vote by 51% of all then-existing Cookie Co.™ Businesses. Voting will be accomplished through a system of one vote per eligible Cookie Co.™ Business.

The NMF will be accounted for separately from our other funds. All disbursements from the NMF shall be made first from income and then from contributions. While our intent is to balance the NMF on an annual basis, the NMF may periodically run at either a surplus or deficit. We may spend in any fiscal year an amount greater or less than the aggregate contributions of all Cookie Co.™ Businesses to the NMF in that year, and the NMF may borrow from us or other lenders to cover deficits in the NMF or cause the NMF to invest any surplus for future use by the NMF. We will prepare annually a statement of monies collected and costs incurred by the NMF and furnish a copy to you upon your written request. Except as otherwise expressly provided in this Section, we assume no direct or indirect liability or obligation with respect to the maintenance, direction or administration of the NMF. We do not act as trustee or in any other fiduciary capacity with respect to the NMF.

We may increase the LMF or NMF contributions above two percent (2%), one-half percent (.5%) and two percent (2%) of Net Sales, respectively, with an affirmative vote by 66% of all the then-existing Affiliated Businesses and Franchised Businesses or by an affirmative vote of 51% of the then existing Franchised Businesses.

C. ADVERTISING APPROVALS AND INITIAL ADVERTISING COSTS.

You acknowledge that all advertising and promotional materials will be sourced solely through us. You must submit to us for our prior approval a marketing plan and samples of all advertising and promotional materials not prepared or previously approved by us and which vary from our standard advertising and promotional materials by following the procedures that are in place at the time of submittal. If you elect to work with a marketing firm (including an advertising agency or public relations firm), you must obtain our written approval of such marketing firm, and such marketing firm must sign a confidentiality and non-disclosure agreement approved by us before you sign any contracts or share any Confidential Information with such marketing firm. This marketing firm or agency shall not under any circumstances be given access to any of our proprietary limited-access intranet (including the Franchise Website), sites or any other information we deem inappropriate. You may not use any advertising or promotional materials that we have not approved.

We may establish a creative process in which you will submit requests for advertising and promotional materials for your Business. You must follow this process when established. You will find this process in the Operations Manual. We will try to meet your requests by using existing marketing collateral and/or customizable marketing templates. As part of the creative process, you acknowledge that we may incur costs in customizing the proposed advertising and promotional materials. We reserve the right to charge for these customized revisions of the advertising and promotional materials. Additionally, if your creative marketing requests fall outside the scope of, and cannot be adequately met with, existing collateral and marketing templates, we will charge you a customized marketing development fee and will provide you with an estimate of this fee at the outset of the project. If your project exceeds available resources or the timeline we provide, you must pay this customized marketing development fee to complete your custom marketing project.

If you default under this Agreement, fail to pay any amounts due and payable to us or our Affiliates, or fail to comply with any other provision of this Agreement, we may elect not to provide you marketing and advertising assistance for your Business's grand opening or on an ongoing basis. Until such time as you pay your outstanding obligation in full or cure this default, we may withhold permission for you to open your Business.

D. PROMOTIONS.

You must participate in all promotions and advertising campaigns required by us, whether on a test, temporary or permanent basis, and to maintain adequate inventories of all products identified by us as part of a promotion or advertising campaign. You shall accept any coupons issued by us or our Affiliates. You must display in your Business all (1) product identification materials; (2) point-of-purchase promotional materials;

(3) promotional memorabilia, merchandise and prizes; and (4) other advertising marketing materials we provide you pursuant to this Section 10 for use by Businesses. At our request, you must display in a prominent, accessible place a “franchising opportunities” display furnished by us at our expense for the purpose of increasing public awareness of the availability of franchises.

E. FRANCHISEE WEBSITES.

You may not promote, offer, or sell any products or services relating to your Business, or use any of the Marks, through the Internet without our consent. You and your Owners agree not to register any Internet domain name in any class or category that contains the words Cookie Co.TM or any abbreviation, acronym, or variation of those words. Also, you and your Owners agree to not use any email address or alias that contains the words Cookie Co.TM or any abbreviation, acronym, or variation of those words except those we have authorized. This section also includes the use of Cookie Co.TM, or any derivative of Cookie Co.TM or its name, marks, or designs that would likely confuse or cause a customer or potential customer to believe such derivative name, mark or design is approved by Cookie Co.TM, and it includes publication of such names, marks, or designs via social media pages or mobile applications.

We will create a social-media page for your Franchise when it opens for business and will provide you access through an Internet-based platform that we select and use from time to time. All social-media pages will belong to us, and your use thereof will be subject to the policies and procedures set forth by us, as modified from time to time. You are not authorized to create any social-media pages or accounts (including, but not limited to, Instagram, Facebook, Twitter, Tik Tok and Snapchat) for your Franchise without our prior written consent.

F. COOKIE CO.TM WEBSITE AND INTRANET.

We have established and plan to maintain the Cookie Co.TM Website (the “*Website*”) to provide information about Cookie Co.TM, the Franchise, and the products and services that Businesses offer. Also, we will have control over the Cookie Co.TM Website’s design and contents. We will have no obligation to maintain the Website indefinitely and may dismantle it at any time. We have the right to modify or discontinue the Website or any of its functions if we determine that it becomes advisable at any time. We will have no liability or obligation whatsoever with respect to any required modification or discontinuance of the Website. Also, we are not obligated to reimburse you for any loss of goodwill associated with any modification or discontinuance of the Website. We may include pages on the Website that identify participating Businesses by address and telephone number. We are the sole owners of and reserve the rights to access and use the customer information collected through the Cookie Co.TM Website. You will not have the capability or the right to modify the Website.

We have established and plan to maintain a Cookie Co.TM franchising website (the “*Franchise Website*”) through which (i) members of the Cookie Co.TM network may communicate with each other, (ii) we may disseminate updates to the Operations Manual and other confidential information, and (iii) members of the Cookie Co.TM network may purchase food, Ingredients, supplies, marketing and advertising material, merchandise and other things we deem appropriate. We may use the Franchise Website to provide Business rankings in the Cookie Co.TM network based on various data points tracked at any given time for the purpose of performance evaluation. No Business-specific financial information will be included on any ranking report provided for the consumption of the general franchise populace through the Franchise Website.

We will have no obligation to maintain the Franchise Website indefinitely and may dismantle it at any time. We will have no liability or obligation whatsoever with respect to any required modification or discontinuance of the Franchise Website. Also, we are not obligated to reimburse you for any loss of goodwill associated with any modification or discontinuance of the Franchise Website. We may include pages on the Franchise Website that identify participating Franchisees, General Managers, and vendors by address, telephone number, and email address. You will not have the capability or the right to modify the Franchise Website. We are the sole owners of and reserve the rights to access and use the customer information collected through the Franchise Website.

Access to the Franchise Website by your employees should be strictly limited. You acknowledge that you are responsible for all product orders placed by employees through the Franchise Website and agree to reimburse us for any and all unpaid purchases made through the Franchise Website by your Business.

We may require you to purchase and install necessary hardware, software, and other necessary additions to your computer system and to establish and continually maintain connection with the Franchise Website that allows us to send messages to and receive messages from you. Your obligations to maintain connection with the Franchise Website will continue until the expiration or termination of this Agreement (or, if earlier, until we dismantle the Franchise Website).

If you default under this Agreement, fail to pay any and all amounts due and payable to us or our Affiliates, or fail to comply with any other provision of this Agreement, we may remove information about your Business from the Website, until such time as you pay your outstanding obligation in full or cure this default or we may temporarily suspend your access to any message board, directory, online shopping catalog, or other features the Franchise Website includes until such time as you fully cure the default. You must reimburse us for any and all purchases made through the Franchise Website by your Business. You acknowledge that you are responsible for all product orders placed by employees through the Franchise Website and subsidiaries of the website.

G. CUSTOMER ORDERING SYSTEM.

You agree that we may, at our option, establish and maintain a customer ordering system (the “Ordering System”). Through this system, we may allow customers to order food, beverages, merchandise, and other products and services we deem appropriate. You agree that we have control over the Ordering System. You must have your Business participate in fulfilling customer orders that come through the Ordering System. We may establish a phone-based, Internet-based or mobile device-based Ordering System. We have the right to use any technology in creating, establishing, and maintaining the Ordering System.

We will have no obligation to maintain the Ordering System indefinitely, and may dismantle it at any time. We will have no liability or obligation whatsoever with respect to any required modification or discontinuance of the Ordering System. We are not obligated to reimburse you for any loss of goodwill associated with any modification or discontinuance of the Ordering System. You will not have the capability or the right to modify the Ordering System. We are the sole owners of and reserve the rights to access and use the customer information collected through the Ordering System.

We may require you to purchase and install necessary hardware, software, and other necessary additions to your computer system and to establish and continually maintain connection with the Ordering System that allows customers to purchase food, beverages, merchandise, and other products from your Business. Your obligations to maintain staff and systems necessary for the Ordering System will continue until the Franchise Agreement’s expiration or termination (or, if earlier, until we dismantle the Ordering System).

H. GIFT CARDS.

We may, from time to time, implement a gift-card program, and you will be required to participate in any such program. All monies received by you for the purchase of gift cards will be thereafter a liability of yours, payable to us or our designee immediately upon the earlier of (a) the full or partial redemption of the gift card, in the amount of such redemption, or (b) the termination of this Agreement.

11. RECORDS, REPORTS, AND FINANCIAL STATEMENTS.

A. REPORTS, RECORDS AND BOOKKEEPING.

You must establish and maintain a bookkeeping, accounting, record-keeping and data-processing system conforming to the requirements and formats that we prescribe and as set forth in the Operations Manual. You must prepare and maintain three years’ complete and accurate books, records, (including invoices and records relating to your advertising expenditures) and accounts (using our then-current standard chart of accounts) for your Business, copies of your sales tax returns and related portions of your state and federal income tax returns, daily

cash reports, cash receipts journal and general ledger, cash disbursements journal and weekly payroll register, monthly bank statements and daily deposit slips and canceled checks, supplier invoices, dated cash register tapes (detail and summary), semi-annual balance sheets and monthly profit and loss statements, daily production, leftover and donations records and weekly inventories, records of promotions and coupon redemptions, records of all corporate accounts, and such other records as we deem appropriate as related to your Business (collectively, the “**Records**”).

You must furnish to us reports relating to your Business by the delivery method and in a form and content as we have the right to periodically prescribe. In addition, you must furnish us periodic reports, including, without limitation, the following:

(i) **Sales Reports.** Monthly reports of gross revenues or Gross Revenue due at the same time that Royalty Fees are due;

(ii) **Monthly Financial Reports.** Within 15 days after the end of calendar month, a profit and loss statement for your Business for the previous month and a year-to-date statement of financial condition as of the end of the previous month;

(iii) **Quarterly Reports.** Within 30 days after the end of calendar quarter, a quarterly balance sheet and income statement and statement of cash flow of your Business for such quarter, reflecting any adjustments and accruals;

(iv) **Semi-Annual Reports.** Within 15 days after the end of each six-month calendar period, a balance sheet for your Business as of the end of that semi-annual period;

(v) **Annual Reports.** Within 90 days after the end of each calendar year, (1) a year-end balance sheet and income statement and statement of cash flow for you and all of your Affiliates that develop, own or operate Cookie Co.TM Businesses, all prepared in accordance with generally accepted accounting principles, consistently applied, reflecting all year-end adjustments and accrual; (2) similar information from all Owners who have signed a Guaranty; and (3) such summaries of financial information as we may require;

(vi) **Tax Returns.** Within 10 days after the returns are filed, exact copies of federal and state income, sales and any other tax returns and the other forms, records, books and other information pertaining to your Business as we have the right to periodically require;

(vii) **Other Reports.** Within 30 days of our request, such other information as we may periodically require, including sales mix data; food, labor, and paper cost reports; sales and income tax statements; and a consolidated Business Plan (as defined and set forth below) for all Cookie Co.TM Businesses that you and your Affiliates own or operate.

All accounting and other reports shall use our then-current standard chart of accounts and standard accounting methodologies and practices as outlined in the System Standards. All financial reports must be prepared in accordance with generally accepted accounting principles (“GAAP”) then in effect in the United States. Each report and financial statement must be signed and verified by you in the manner we specify. We reserve the right to publish or disclose information that we obtain under this Section in any data compilations, collections, or aggregations that we deem appropriate, in our sole discretion, including financial information relating to your individual Business. We reserve the right to impose a penalty at our discretion for each record, report or financial statement that you fail to provide within the applicable amount of time set forth above. We also have the right to require that your financial statements be audited, at your expense, by an independent certified public accountant approved by us. We have the right to determine the format and manner of submission of each report. In addition, we have the right to charge you a late fee for each delinquent report due to us, as further described above. Also, we have the right, but not the obligation, to provide you with analytical and comparative Business performance reports. The data we use to generate these reports are aggregated directly from information

provided by franchise owners and third-party sources. Therefore, it would be impossible to warrant the veracity of these reports. Ideal and theoretical food, labor, and paper costs found in these reports are estimates and may or may not be accurate. You acknowledge that we do not warrant the reliance on the figures in these reports for your Business.

We have the right to require you to create, prepare and continually update a business plan containing such information as we may require and presented in a format which we have approved (“**Business Plan**”). Your Business Plan must include, with respect to the Business that you own and operate under this Agreement as well as all Businesses owned or operated by you or any of your Affiliates, your short-term and long-term goals in at least the following areas: your mission statement, sales building, customer satisfaction, operations, quality of service, staffing, training certification, human resources, marketing, development and initiatives.

B. RETENTION OF RECORDS.

All records must be maintained for at least three years. All Records shall be kept at your principal address indicated on the first page of this Agreement, unless we otherwise approve; provided, however, that you must also keep books, records and accounts of Gross Revenue and of operations at your Business. You acknowledge that we may require you to furnish all or some Records to us from time to time.

12. THE COMPANY’S RIGHT TO INSPECT YOUR BUSINESS; AUDITS.

A. INSPECTIONS.

To determine whether you are complying with this Agreement and with all System Standards and whether your Business is in compliance with the terms of this Agreement, we and our designated agents have the right to, at any reasonable time and without prior notice to you:

- (i) Inspect the Premises and your Business;
- (ii) Observe, photograph and video tape your Business’s operations for such consecutive or intermittent periods as we deem necessary;
- (iii) Remove samples of any products, materials or supplies for testing and analysis;
- (iv) Interview Personnel and customers of your Business; and
- (v) Inspect and copy any books, records and documents relating to the operation of your Business.

You must cooperate fully with us in connection with any of our inspections, observations, photographing, videotaping, product removal and interviews. You also must cooperate fully with our representatives and independent accountants conducting audits.

You shall maintain readily available for inspection by the Company, and shall furnish to the Company upon its request, at these locations as the Company may reasonably request (including the Company’s office), exact copies of all books and records, tax returns and documents relating to the development, ownership, lease, occupancy or operation of your Business and of any corporation or partnership that holds the Franchise and shall afford the Company (and its agents), at any time during business hours, and without prior notice to you, full and free access to these books and records at your Business. The Company (and its agents) shall have the right to make extracts from, and copies of, and to audit, or cause to be audited, these books and records and shall have the right to communicate freely with Business employees. You shall fully cooperate with representatives of the Company and independent accountants hired by the Company to conduct any inspection or audit. In the event any inspection or audit shall disclose an understatement of the Gross Revenue of your Business, you shall pay to the Company, within seven days after receipt of the inspection or audit report, the Royalty Fees, service fee, and any advertising contributions due on the amount of this understatement, plus interest (at the rate and on the terms provided in

Section 6 above) from the date originally due until the date of payment. Further, in the event this inspection or audit is made necessary by the failure of you to furnish reports, supporting records or other information, as herein required, or to furnish these reports, records or information on a timely basis, or if an understatement of Net sales for the period of any inspection or audit (which shall not be for less than three months) is determined by any inspection or audit to be greater than two percent (2%), you shall reimburse the Company for the cost of the inspection or audit, including the charges of any attorneys, independent accountants and the travel expenses, room and board and compensation of employees of the Company. The foregoing remedies shall be in addition to all other remedies and rights of the Company under this Agreement or under applicable law.

13. TRANSFERS / ASSIGNMENT.

A. TRANSFERS/ASSIGNMENTS BY US.

This Agreement is fully transferable and/or assignable by us and will inure to the benefit of any transferee or assignee or other legal successor to our interest in this Agreement.

B. RESTRICTIONS ON TRANSFERS BY YOU.

Your rights and duties created by this Agreement are personal to you, or, if you are a business corporation, partnership, limited liability company or other legal entity, your Owners. We have granted this Agreement to you in reliance upon our perceptions of the individual or collective character, skill, aptitude, attitude, business ability and financial capacity of you and, if you are not an individual, your Owners. Accordingly, no Transfer will be made without our prior written approval. Any Transfer without our approval will constitute a breach of this Agreement and will be void and of no effect. You may not under any circumstance directly or indirectly sub-franchise or sub-license any of your rights hereunder.

“*Transfer*” is defined, for purposes of this Agreement, as the voluntary or involuntary, direct or indirect transfer, assignment, sale, gift, pledge, mortgage, hypothecation or other disposition (including those occurring by operation of law and a series of transfers that in the aggregate constitute a Transfer) of any of your interest in this Agreement or of a Controlling Interest in you. It may also be used as a verb, in which case it shall mean the act of completing a Transfer. “*Controlling Interest*,” for purposes of this Section 13 and provisions, addenda and exhibits which refer to this Section 13, means an interest, the ownership of which empowers the holder to exercise a controlling influence over the management, policies or personnel of an entity. Ownership of 10% or more of the equity or voting securities of a corporation, limited liability company or limited liability partnership or ownership of any general partnership interest in a general or limited partnership will be deemed conclusively to constitute a Controlling Interest in the corporation, limited liability company, or partnership, as the case may be.

C. CONDITIONS FOR APPROVAL OF TRANSFERS BY YOU.

If we have not exercised our right of first refusal pursuant to Section 13.G below and if you are in full compliance with this Agreement, we will not unreasonably withhold our approval of a Transfer that meets all of the reasonable restrictions, requirements and conditions we impose on the Transfer, the transferor, or the transferee, including the following:

- (i) **Character.** The proposed transferee and the individuals ultimately owning the transferee, if the transferee is an entity, must be individuals of good moral character and otherwise meet our then-applicable standards for owners of Cookie Co.TM Businesses. Also, the transferee must provide us on a timely basis all information we request.
- (ii) **Business Experience.** The transferee and, if the transferee is an entity, its Owners must have sufficient business experience, aptitude and financial resources to operate its business and comply with this Agreement.
- (iii) **Training.** The transferee and its Operating Partner and General Manager must have completed our initial training program or must otherwise be currently certified by us to operate and/or manage a Cookie Co.TM Business to our satisfaction.

(iv) **Satisfaction of Obligations.** You have paid all amounts owed for purchases by you from us and our Affiliates and all other amounts owed to us or our Affiliates and third-party creditors or suppliers.

(v) **Execution of New Agreement or Assumption of Agreement.** At our option, the transferee either has signed our then-current form of franchise agreement and related documents used in the state in which your Business is located (which may provide for different royalties, advertising contributions and expenditure, duration and other rights and obligations than those provided in this Agreement) for a new term, and if the transferee is an entity, each Owner of the transferee has signed our then-current form of guaranty, or has agreed to be bound by and expressly assume all of the terms and conditions of this Agreement for the remainder of its term.

(vi) **Payment of Transfer Fees.** You or the transferee has paid us a Transfer fee equal to Ten Thousand Dollars (\$10,000).

(vii) **Execution of Termination Agreement and/or Release.** At our option, you and your Transferring Owners, if you are an entity, have signed our then-current form of termination agreement and/or general release, in form and substance satisfactory to us, unless limited or prohibited by applicable law, (which shall release us and our Affiliates and our and their respective officers, directors, employees, shareholders, successors, assigns, and agents from any and all claims).

(viii) **Approval of Terms of Transfer.** We have approved the material terms and conditions of the Transfer, including the price and terms of payment. However, our approval of a Transfer does not ensure the transferee's success as a Cookie Co.TM Business franchisee nor should the transferee rely upon our approval of the Transfer in determining whether to acquire your Business.

(ix) **Subordination.** If you (or your Owners) finance any part of the sale price of the Transferred interest, you and your Owners have agreed that all obligations of the transferee under any promissory notes, agreements or security interests reserved by you (or your Owners) will be subordinate to the transferee's obligations to us and our affiliates.

(x) **Non-Competition Covenant.** You and your Owners and Investors must sign a non-competition covenant, in form and substance satisfactory to us, in favor of us and the transferee agreeing that, for a period of two years, starting on the effective date of the Transfer, you and your Owners will not directly or indirectly (such as through immediate family members) (a) own any legal or beneficial interest in, or render services or give advice to (1) any Competitive Business that is located in the Protected Area; (2) any Competitive Business that is located within a five-mile radius of any other Cookie Co.TM Business in operation or under construction as of the effective date of the Transfer; or (3) any entity which grants franchises, licenses or other interests to others to operate any Competitive Business; and (b) recruit or hire any person who is an employee of ours or of any Cookie Co.TM Business operated by us, our Affiliates or any franchisee of ours without obtaining the employer's consent, which consent may be withheld for any reason.

(xi) **Landlord Consent.** If consent is required, the lessor of the Premises consents to the assignment or sublease of the Premises to the transferee.

(xii) **Non-Use of Marks.** You and your Owners have agreed that you and they will not directly or indirectly at any time or in any manner (except with respect to Cookie Co.TM Businesses owned and operated by you or them) identify yourself or themselves or any of their businesses as a current or former Cookie Co.TM Business, or as a franchisee, licensee or dealer of us or our Affiliates; use any Mark, any colorable imitation of any of the Marks or other indicia of a Cookie Co.TM Business in any manner or for any purpose; or use for any purpose any trade name, trade or service mark or other commercial symbol that suggests or indicates a connection or association with us.

(xiii) **Refurbishment.** You or the transferee has agreed to any refurbishment of your Business required by us to bring your Business in compliance with the then-current standards and trade dress.

(xiv) **Business Operation.** You have completed development of your Business and are operating your Business in accordance with this Agreement.

(xv) **Agreement Compliance.** You, your Owners and Affiliates must be in compliance with the provisions of this Agreement and all other agreements with us or any of our Affiliates.

(xvi) **Securities Exchange Act.** The proposed transferee may not be an entity, or be affiliated with an entity, that is required to comply with reporting and information requirements of the Securities Exchange Act of 1934, as amended.

(xvii) **Area Development Agreement.** If you signed this Agreement pursuant to an area development agreement, then the transferee must acquire, in a concurrent transaction, all of your rights, and the rights of your Owners and Affiliates, under such area development agreement (or any successor area development agreement) and all franchise agreements for Cookie Co.TM Businesses that you or your Owners or Affiliates signed pursuant to such area development agreement (or any predecessor or successor area development agreement).

(xviii) **Material Terms and Conditions.** The material terms and conditions of the Transfer (including the price and terms of payment and the amount to be financed by the transferee in connection with the Transfer, which shall not in any event exceed 75% of the purchase price for the assets or stock to be Transferred) must not be so burdensome as to be likely, in our reasonable judgment, to adversely affect the transferee's operation of the Business or its compliance with its franchise agreements, any area development agreements and any other agreements being Transferred.

(xix) **Other Conditions.** You and your Transferring Owners, if you are an entity, have complied with any other conditions that we periodically reasonably require as part of our Transfer policies. You and your Owners and Affiliates must sign such other documents and do such other things as we may reasonably require to protect our rights under this Agreement and under any area development agreement.

In connection with any assignment permitted under this Section, you will provide us with all documents to be signed by you and the proposed transferee at least 30 days before signing.

D. TRANSFER TO A WHOLLY OWNED ENTITY.

If you are in full compliance with this Agreement, you will have the right to Transfer your rights in this Agreement to a corporation or other entity which will conduct no business other than the business contemplated by this Agreement, which you actually manage and in which you maintain management control and own and control 100% of the equity and voting power of all issued and outstanding capital stock or other ownership interests. Transfers of shares or ownership interests of such entity will be subject to the provisions of this Section 13. Even though a Transfer is made under this Section 13, you will remain personally liable under this Agreement as if the Transfer to the wholly owned entity had not occurred. The articles of incorporation, by-laws operating agreement, and other organizational documents of the corporation must state that the issuance and assignment of any interest in the entity is restricted by the terms of this Section 13, and all issued and outstanding stock certificates or other certificates evidencing ownership interests in the entity must bear a legend reciting or referring to these restrictions.

E. DEATH OR DISABILITY OF FRANCHISEE.

Upon the death or permanent disability of Franchisee or, if Franchisee is an entity, of one of its Owners, the executor, administrator, conservator or other personal representative of such deceased or disabled person shall assign the Franchise or applicable interest in Franchisee to a third party approved by the Company. This disposition of the Franchise or interest in Franchisee (including Transfers by bequest or inheritance) shall be

completed within a reasonable time, not to exceed six months from the date of death or permanent disability, and shall be subject to all the terms and conditions applicable to assignments set forth in Section 13.C above and to the Company's right of first refusal set forth in Section 13.G below (provided, however, that Section 13.G shall not apply to Transfers to members of the immediate family of Franchisee or an owner of Franchisee or to Transfers by gift, bequest or inheritance). Failure to so dispose of the Franchise or interest in Franchisee within such period of time shall constitute a breach of this Agreement. Pending disposition, the Company shall have the right to approve the management of the Business, and no person whom the Company disapproves shall continue to act as a manager of the Business.

F. SPECIAL TRANSFERS.

None of Section 13.C(v), Section 13.C(vi) or Section 13.C(xiv) above shall apply to any Transfer of the Franchise among any of your then-current Owners. Neither Section 13.C(vi) nor Section 13.C(xviii) above shall apply to any Transfer of the Franchise to any member of your immediate family or the immediate family of a then-current Owner of Franchisee (if you are a corporation, partnership, limited liability company or other legal entity). On 30 days' notice to us, you (if you are an individual or partnership) may Transfer this Agreement, in conjunction with a Transfer of all of the assets of your Business, by an agreement in form and substance approved by us, to an entity which conducts no business other than the Business (and other Cookie Co.™ Businesses under franchise agreements granted by us), and of which you own and control all of the equity and voting power. The entity to which this Agreement is thus Transferred must comply with Sections 7.A and 7.B above. None of the foregoing assignments shall relieve you or your Owners of your respective obligations hereunder, and you and your Owners remain jointly and severally liable for all obligations hereunder.

G. THE COMPANY'S RIGHT OF FIRST REFUSAL.

If you or any of your Owners desire to Transfer the Franchise for legal consideration, you or such Owner must obtain a *bona fide*, signed written offer from a qualified purchaser and must deliver immediately to us a complete and accurate copy of this offer. If the offeror proposes to buy any other property or rights from you or any of your Owners or Affiliates (other than rights under area development agreements or rights to other franchise agreements for Cookie Co.™ Businesses) as part of the *bona fide* offer, the proposal for the Franchise must be set forth in a separate, contemporaneous offer that is fully disclosed to us, and the price and terms of purchase offered to you or your Owners for the Transfer of the Franchise must reflect the *bona fide* price offered therefore and may not reflect any value for any other property or rights.

We have the option, exercisable by notice delivered to you or your Owners within 30 days from the date of delivery of a complete and accurate copy of such offer to us, to purchase such interest for the price and on the terms and conditions contained in such offer, provided that: (1) we may substitute cash for any form of payment proposed in this offer; (2) our credit shall be deemed equal to the credit of any proposed purchaser; and (3) we will have not less than 90 days from the option exercise date to consummate the transaction. We have the right to investigate and analyze the business, assets and liabilities and all other matters we deem necessary or desirable to make an informed investment decision with respect to the fairness of the terms of our right of first refusal. We may conduct such investigation and analysis in any manner we deem reasonably appropriate and you and your Owners must cooperate fully with us in connection therewith.

If we exercise our option to purchase, we are entitled to purchase such interest subject to all representations and warranties, closing documents, releases, non-competition covenants and indemnities we as reasonably may require, provided that if we exercise our option as result of a written offer reflected in a fully negotiated, definitive agreement with the proposed purchaser, we will not be entitled to any additional representations, warranties, closing documents or indemnities that will have a materially adverse effect on your rights and obligations under the definitive agreement. If we do not exercise our option to purchase, you or your Owners may complete the sale to the offeror pursuant to and on the exact terms of this offer, subject to our approval of the Transfer as provided in Sections 13.A, 13.B, or 13.C above provided that if the sale to the offeror is not completed within 90 days after delivery of this offer to us, or if there is a material change in the terms of the offer, you must promptly notify us and we will have an additional option to purchase (on the terms of the revised offer,

if any, and otherwise as set forth herein) during the 30-day period following your notification of the expiration of the 90-day period or the material change to the terms of the offer.

H. EFFECT OF CONSENT TO ASSIGNMENT.

The Company's consent to an assignment of the Franchise or any interest subject to the restrictions of this Section 13, shall not constitute a waiver of any claims it may have against the assignor, nor shall it be deemed a waiver of the Company's right to demand exact compliance with any of the terms or conditions of this Agreement by the assignee(s), nor a representation as to the fairness of the terms of any agreement or arrangement between you and the transferee or as to the prospects of success of the Cookie Co.™ Business. Any approval shall apply only to the specific Transfer of the Franchise being proposed and shall not constitute an approval of, or have any bearing on, any other proposed Transfer of the Franchise.

I. SECURITIES OFFERINGS.

In the event we decide to offer for sale securities in the Company and you or any of your Owners purchase these securities, neither you nor any of your Owners may issue or sell, or offer to issue or sell, any of your Cookie Co.™ securities or any Cookie Co.™ securities of any of your Affiliates, regardless of whether this sale or offer would be required to be registered pursuant to the provisions of the Securities Act of 1933, as amended, or the securities laws of any other jurisdiction, without obtaining our prior consent and complying with all of our requirements and restrictions concerning use of information about us and our Affiliates. Neither you nor any of your Owners may issue or sell your securities or the securities of any of your Affiliates if: (1) these securities would be required to be registered pursuant to the Securities Act of 1933, as amended, or these securities would be owned by more than thirty-five persons; or (2) after this issuance or sale, you or this Affiliate would be required to comply with the reporting and information requirements of the Securities Exchange Act of 1934, as amended.

Any proposed private placement of your or of your Affiliate's securities must be approved by us; provided however, we shall not be responsible for its contents and you shall indemnify and hold us harmless from any and all claims associated with such private placement.

14. TERMINATION.

A. IMMEDIATE TERMINATION.

You are in material breach and deemed to be in default of this Agreement, and this Agreement will automatically terminate without notice, at our discretion, if any of the following events occur:

(i) **Criminal Acts.** The conviction or entry of a guilty plea or no contest to charges involving fraudulent conduct or a felony or misdemeanor involving moral turpitude by either Franchisee or a principal of Franchisee.

(ii) **Insolvency.** You file a petition in bankruptcy or for reorganization or for an arrangement pursuant to any federal or state bankruptcy law or any similar federal or state law, or are adjudicated a bankrupt or make an assignment for the benefit of creditors or admit in writing your inability to pay your debts generally as they become due, or if a petition or answer proposing the adjudication of you as a bankrupt or your reorganization pursuant to any federal or state bankruptcy law or any similar federal or state law is filed in any court and you consent to or acquiesce in the filing thereof or this petition or answer is not discharged or denied within 30 days after the occurrence of any of the foregoing, or if a receiver, trustee or liquidator of you or of all or substantially all of your assets or your interest in this Agreement is appointed in any proceeding brought by you, or if any such receiver, trustee or liquidator is appointed in any proceeding brought against you and is not discharged within 30 days after the occurrence thereof, or if you consent to or acquiesce in this appointment, or if you request the appointment of a receiver or make a general assignment for the benefit of creditors, or if your bank accounts, property or accounts receivable are attached or signing is levied against your business or property.

(iii) **Unauthorized Transfer.** A Transfer occurs in violation of the provisions of Section 13 above.

(iv) **Misstatements and Other Adverse Developments.** You or any of your Owners have made any material misrepresentation or omission in your application for the rights conferred by this Agreement, are convicted by a trial court of, or plead no contest to, a felony or to any other crime or offense that may adversely affect the goodwill associated with the Marks, or if you engage in any conduct which may adversely affect the reputation of any Cookie Co.™ Business or the goodwill associated with the Marks.

(v) **Unauthorized Use of Marks or Confidential Information.** You or any of your Owners makes any unauthorized use of the Marks or any unauthorized use or disclosure of Confidential Information.

(vi) **Abandonment.** You abandon or fail to actively operate your Business for three consecutive days unless your Business has been closed for a purpose approved in advance by us in writing or because of fire, flood or other casualty or government order.

(vii) **Breach of Lease; Loss of Right of Possession.** You are in breach of any of your obligations under your lease or sublease of the Premises or you lose the right to possession of the Premises.

(viii) **Failure to Comply with Certain System Standards and Health Requirements.** You fail or refuse to comply with System Standards relating to the cleanliness or sanitation of your Business or violate any health, safety or sanitation law, ordinance or regulation.

(ix) **Understatements of Net Sales.** You understate your Business's Gross Revenue in any report or financial statement by an amount greater than two percent (2%).

(x) **Failure to Make Payments.** You or any of your Affiliates fail to make payments, when due, of any amounts due to us or our Affiliates under this Agreement or any other agreement with us or our Affiliates.

(xi) **Failure to Pay Taxes.** You fail to pay any federal or state income, sales or other taxes due with respect to your Business's operations unless you are in good faith contesting your liability for the taxes.

(xii) **Repeated Breaches.** You fail on two or more separate occasions within any period of 12 consecutive months or on three occasions during the term of this Agreement to submit when due reports or other data, information or supporting records or to pay when due the Royalty Fees or other payments due to us or our Affiliates or otherwise fail to comply with this Agreement, whether or not the failures to comply are corrected after notice thereof is delivered to you.

(xiii) **Financing Defaults.** You default with respect to any of your obligations to us or any other lender under any financing provided to you in connection with this Franchise Agreement or a purchase of Business assets.

(xiv) **Default of Any Other Agreement.** You default in the performance or observance of any of your obligations under any other agreement with us or our Affiliates.

(xv) **Final Judgment.** A final judgment is entered against you in the amount of Twenty-Five Thousand Dollars (\$25,000) or more and remains unsatisfied of record for 30 days or longer.

(xvi) **Foreclosure.** A suit is filed to foreclose any lien or mortgage against any of your assets and such suit is not dismissed within 30 days.

(xvii) **Corporate or Partnership Dissolution.** You voluntarily dissolve or liquidate or have a petition filed for corporate or partnership dissolution and such petition is not dismissed within 30 days.

(xviii) **Anti-Terrorism Laws.** You are in violation of any of the Anti-Terrorism Laws.

You expressly waive all rights under the provisions of the bankruptcy or other applicable laws and rules, and consent to the immediate termination of this Agreement as provided herein. You agree not to seek an order from any court, tribunal, or agency in any jurisdiction relating to bankruptcy, insolvency, reorganization or any similar proceedings that would have the effect of staying or enjoining this provision.

B. NOTICE OF TERMINATION.

In addition to our right to terminate pursuant to other provisions of this Agreement and under applicable law, we have the right to terminate this Agreement, effective upon delivery of notice of termination to you, if you or any of your Owners or Affiliates:

- (i) fail to open your Business for business, as provided in Sections 3.C and 3.E above;
- (ii) abandon or fail to actively operate your Business for three consecutive days, except where this failure to actively operate results solely from causes beyond your reasonable control;
- (iii) surrender or transfer control of the operation of your Business without prior written consent;
- (iv) make any material misstatement or omission in the Personal Profile, the ADA Application or in any other information, report or summary provided to us at any time;
- (v) suffer cancellation or termination of the lease or sublease for your Business;
- (vi) are convicted of, or plead no contest to, a felony or other crime or offense that we reasonably believe may adversely affect the System Standards or the goodwill associated with the Marks;
- (vii) make any unauthorized use or disclosure of any Confidential Information or use, duplicate or disclose any portion of the Operations Manual in violation of this Agreement;
- (viii) fail or refuse to comply with any mandatory specification, standard, or operating procedure prescribed by us relating to the cleanliness or sanitation of your Business or violate any health, safety or sanitation law, ordinance or regulation, that we reasonably believe may pose harm to the public or to you or our reputation, and do not correct this failure, refusal or violation within 24 hours after written notice thereof is delivered to you;
- (ix) fail to report accurately Net Sales, to establish, maintain and/or have sufficient funds available in the designated account as required by Section 6.D of this Agreement or to make payment of any amounts due us or any of our Affiliates, and do not correct this failure within 10 days after written notice of this failure is delivered to you;
- (x) fail to make a timely payment of any amount due to a supplier unaffiliated with us (other than payments which are subject to bona fide dispute), and do not correct this failure within 30 days after we deliver to you notice of this failure to comply;
- (xi) fail to comply with any other provision of this Agreement or any other mandatory specification, System Standards or operating procedure or other obligation that we periodically prescribe in the Operations Manual and do not correct this failure within 30 days after notice of this failure to comply is delivered to you;

(xii) fail on three or more separate occasions within any period of 12 consecutive months to submit when due reports or other data, information or supporting records or to pay when due royalties, advertising fund contributions or other payments due us, any of our Affiliates or any unaffiliated suppliers or otherwise fail to comply with this Agreement or any mandatory specification, standard or operating procedure or other obligation that we periodically prescribe in the Operations Manual, whether or not this failure is corrected after notice is delivered to you;

(xiii) lose the right to possession of the Premises, or otherwise forfeit the right to do or transact business in the jurisdiction where your Business is located, and do not correct this failure within 10 days after written notice of this failure is delivered to you;

(xiv) deny us the right to inspect, examine or audit your Business and your Business's books and do not correct this failure within 10 days after written notice of this failure is delivered to you;

(xv) fail to submit any financial statement or report when required, or your submission is incorrect or incomplete, and do not correct this failure within 10 days after written notice of this failure is delivered to you;

(xvi) fail to pay any federal or state income, sales, or other taxes due on your Business's operations, unless you are in good faith contesting liability for these taxes, and do not correct this failure within 10 days after written notice of this failure is delivered to you;

(xvii) violate any federal labor laws, and do not correct this failure within 10 days after written notice of this failure is delivered to you;

(xviii) fail to commence repair or restoration of your Business after damage or destruction as provided in Section 3.C above, or fail to insure your Business as provided in Section 8.G above, and do not correct this failure within 30 days after written notice of this failure is delivered to you;

(xix) fail to commence repair, restoration, modernization of your Business after we provide you a written request to do so as provided in Section 8.A above, and do not correct this failure within 30 days after written notice of this failure is delivered to you;

(xx) fail to comply with the in-term covenants in Section 9.B of this Agreement, fail to obtain signing of the covenants required under that Section, or fail to comply with the confidentiality non-competition agreement found in Exhibit E hereof, and do not correct this failure within 10 days after written notice of this failure is delivered to you; or

(xxi) fail to notify us of the termination of your Operating Partner or General Manager, or fail to hire or select a successor Operating Partner or General Manager, who satisfies the requirements provided for in Section 7 above.

We have no obligation whatsoever to refund any portion of the initial Franchise Fee, renewal fee, relocation fee, Transfer fee or area development fee upon any termination.

C. OUR RIGHT TO TERMINATE IN CERTAIN OTHER CIRCUMSTANCES.

(i) **Failure to Complete Training.** If you or any initial attendee to our training programs fails to complete all phases of the initial and intensive training program to our satisfaction, we will have the right to terminate this Agreement effective upon delivery of notice of termination to you. If we terminate the Agreement as permitted by this provision, we will refund to you the initial franchise fee less all reasonable expenses incurred by us in connection with (i) the preparation of this Agreement and all related agreements, (ii) the grant of the Franchise, (iii) approval of the Premises, (iv) selection of the Premises, (v) training services and materials, and (vi) any other services performed by us in connection

with the establishment and development of your Business. However, in no event will the refund exceed 50% of the initial franchise fee. The refund will be delivered to you upon signing of all releases, waivers and other agreements necessary to terminate the relationship between you and us.

(ii) **Failure to Open Your Business for Business.** If you fail to open your Business for business in compliance with Section 3 above, we will also have the right to terminate this Agreement effective upon delivery of notice of termination to you. No refund of the initial franchise fee will be made in such circumstances.

If you are in default of this Agreement for abandonment (as described above), we have the right, at our option, to enter the Premises and assume the management of your Business for any period of time we deem appropriate. If we assume management of your Business, we will appoint a manager who will maintain Business operations. All funds from the operation of your Business during the period of management by our appointed manager will be kept in a separate fund, and all expenses of your Business, including compensation, other costs, and travel and living expenses of our appointed manager, will be charged to this fund. As compensation for these management services, we may charge you 10% of the Gross Revenue of your Business during the period of our management and withdraw payment for such charge from such fund. Operation of your Business during any such period will be on your behalf, provided that we will have a duty only to use our good-faith efforts and will not be liable to you for any debts or obligations incurred by your Business or to any of your creditors for any merchandise, materials, supplies or services purchased by your Business during any period in which your Business is managed by our appointed manager. You will maintain in force for your Business all insurance policies required by this Agreement. Our right to assume management of your Business pursuant to this Section is in addition to and does not affect our right to terminate this Agreement.

15. RIGHTS AND OBLIGATIONS OF THE COMPANY AND FRANCHISEE UPON TERMINATION OR EXPIRATION OF THE FRANCHISE.

A. REVERSION OF RIGHTS.

You agree that upon termination or expiration of this Agreement, all of your rights to use the Marks and all other rights and licenses granted herein and the right and license to conduct business under the Marks at your Business and on the Premises shall revert to us without further act or deed of any party. All right, title and interest of you in, to, and under this Agreement shall become our property.

B. PAYMENT OF AMOUNTS OWED TO US AND OTHERS FOLLOWING TERMINATION OR EXPIRATION.

You must pay us within 15 days after the date of termination or expiration of this Agreement, or such later date as the amounts due to us are determined, the Royalty Fees, marketing fees, amounts owed for purchases by you from us or our Affiliates, interest due on any of the foregoing and all other amounts owed to us or our Affiliates which are then unpaid, including, without limitation, gift-card liability as set forth in Section 10.I above.

C. DISCONTINUANCE OF THE USE OF THE MARKS FOLLOWING TERMINATION OR EXPIRATION.

You agree that, upon termination or expiration of this Agreement, you will:

(i) Not directly or indirectly at any time or in any manner (except with respect to other Cookie Co.TM Businesses owned and operated by you) identify yourself or any business as a current or former Cookie Co.TM Business, or as a franchisee, licensee or dealer of us or our Affiliates, and not use any Mark, any colorable imitation of a Mark or other indicia of a Cookie Co.TM Business in any manner or for any purpose or use for any purpose any trade name, trade or service mark or other commercial symbol that suggests or indicates a connection or association with us or our Affiliates;

(ii) Deliver to us all signs, sign-faces, sign-cabinets, marketing materials, forms, invoices and other materials containing any Mark or otherwise identifying or relating to a Cookie Co.™ Business and allow us, without liability, to remove all these items from your Business;

(iii) Take such action as may be required to cancel all fictitious or assumed name or equivalent registrations relating to your use of any Mark;

(iv) If we do not exercise our right to purchase your Business pursuant to Section 15.E below, promptly remove from the Premises, and discontinue using for any purpose, all signs, fixtures, furniture, décor items, advertising materials, forms and other materials and suppliers which display any of the Marks or any distinctive features, images, or designs associated with Cookie Co.™ Businesses and, at your expense, make such alterations as may be necessary to distinguish the Premises so clearly from its former appearance as a Cookie Co.™ Business and from other Cookie Co.™ Businesses as to prevent any possibility of confusion by the public;

(v) Deliver all materials and supplies identified by the Marks in full cases or packages to us for credit and dispose of all other materials and supplies identified by the Marks within 30 days after the effective date of termination of this Agreement;

(vi) Notify the telephone company and all telephone directory publishers of the termination of your right to use any telephone and telecopy numbers and any regular, classified or other telephone directory listings associated with any Mark and to authorize transfer of those rights to us, or at our direction, our designee. You agree that, as between you and us, we have the right to and interest in all telephone and fax numbers and directory listings associated with any Mark. You authorize us and appoint us and any of our officers as your attorney-in-fact, to direct the telephone company and all telephone directory publishers to transfer any telephone and fax numbers and directory listings relating to your Business to us, or our designee, should you fail or refuse to do so, and the telephone company and all telephone directory publishers may accept such direction or this Agreement as conclusive evidence of our exclusive rights in the telephone and telecopy numbers and directory listings and our authority to direct their transfer;

(vii) Furnish us, within 30 days after the effective date of termination, with evidence satisfactory to us of your compliance with the obligations in this Section 15.

(viii) Immediately discontinue the use of any of our proprietary software;

(ix) Immediately discontinue any mode of communications on the Franchise Website and Internet directly or indirectly relating to your Business, including any authorized websites or any pages associated with your Business, and immediately take all steps required by us to transfer any domain name associated with your Business to us (such as signing a registrant name change agreement with an applicable registrar). You irrevocably appoint an authorized officer of ours as your duly authorized agent and attorney-in-fact to sign all instruments and take all steps to transfer these domain names; and

(x) Immediately cease to use all Confidential Information and return to us all copies of the Operations Manual and any other confidential information which have been loaned to you.

You agree that if you fail to fulfill any of the obligations contained in this Section 15 upon termination or expiration of this Agreement, we have the right, at our option, to perform these obligations at your expense.

D. DISCONTINUANCE OF USE OF CONFIDENTIAL INFORMATION FOLLOWING TERMINATION OR EXPIRATION; POST-TERM COVENANT NOT TO COMPETE.

You agree that, upon termination or expiration of this Agreement, you will immediately cease to use any Confidential Information disclosed to you pursuant to this Agreement in any business or otherwise and you will

return to us all copies of the Operations Manual and any other Confidential Information which we have loaned to you. Upon termination of this Agreement for any reason, you agree that, for a period of two years (or three years if we purchase your Business as provided below), commencing on the effective date of termination, neither you, your Owners, nor any other Restricted Person will directly or indirectly own a legal or beneficial interest in, or render services or give advice to: (1) any Competitive Business operating in the Protected Area; (2) any Competitive Business operating within a radius of five miles of any Cookie Co.™ Business in operation or under construction on the effective date of termination or expiration; (3) any entity which grants franchises or licenses other interests to others to operate any Competitive Business; or (4) recruit or hire any person who is an employee of ours or of any Cookie Co.™ Business operated by us, our Affiliates or another franchisee of ours without obtaining the employer's consent, which consent may be withheld for any reason.

You expressly acknowledge that you, your Owners, and the other Restricted Persons possess skills and abilities of a general nature and have other opportunities for exploiting those skills. Consequently, enforcement of the covenants made in this Section 15.D will not deprive you or any of the other Restricted Persons of their personal goodwill or ability to earn a living. If any covenant in this Agreement which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited and/or length of time, but would be enforceable by reducing any part or all of the covenant, you and we agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction in which enforcement is sought. If you or any of your Owners fail or refuse to abide by any of the foregoing covenants and we obtain enforcement in a judicial proceeding, the obligations under the breached covenant will continue in effect for a period of time ending two years after the date of the order enforcing the covenant.

E. OUR OPTION TO PURCHASE YOUR ASSETS

We shall have the right, but not the obligation, to purchase the assets of your Business, upon termination or expiration (without renewal) of this Agreement. We shall have the right, exercisable by giving notice thereof (“Appraisal Notice”) within 10 days after the date of termination or expiration of this Agreement, to require that a determination be made of the Fair Market Value (as defined below) of any or all of the assets of your Business which you own, including inventory of non-perishable products, materials, supplies, furniture, equipment, signs, and any and all leasehold improvements, fixtures, building and land, but excluding any cash and short-term investments and any items not meeting our specifications for Cookie Co.™ Businesses (the “**Purchased Assets**”). Notwithstanding the foregoing, if you notify us not less than 180 days nor more than 270 days before expiration, then we agree, if we desire to exercise our right to purchase, to give you the Appraisal Notice at least 120 days before the date of expiration of this Agreement.

Upon delivery of the Appraisal Notice, you may not sell or remove any of the assets of your Business from the Premises (other than in the ordinary course of business) and must give us, our designated agents and the Appraiser (as defined below) full access to your Business and all of your books and records at any times during customary business hours to conduct inventories and determine the purchase price for the Purchased Assets.

The “**Fair Market Value**” for purposes of this Agreement is an amount that shall be determined based upon the amount that an arm's-length purchaser would be willing to pay for the Purchased Assets, assuming that the Purchased Assets would be used for the operation of a Cookie Co.™ Business under a valid franchise agreement reflecting the then-current (or if we are not offering franchises at that time, then the most recent) standard terms upon which we offer or offered franchises for Cookie Co.™ Businesses. Under no circumstances does this calculation contemplate that any value be attributed to any goodwill associated with the Marks or any value attributed to other Intellectual Property or the System Standards, provided, however, that an amount may, if appropriate, be attributed to the going concern value of your Business. You and we hereby agree that the valuation methodology described herein is a fair and reasonable method by which to value the Purchased Assets.

Notwithstanding, the mutually agreeable valuation methodology, if you and we are unable to agree on the final calculation of the Fair Market Value of the Purchased Assets within 15 days after the Appraisal Notice, then Fair Market Value will be determined by a member of a nationally recognized accounting firm (other than a firm which conducts audits of our or your financial statements) mutually selected by you and us who has experience

in the valuation of Business businesses (the “*Appraiser*”). If we are unable to agree on the Appraiser within 30 days after the Appraisal Notice, either party may demand the appointment of an Appraiser be made by the director of the Regional Office of the American Arbitration Association located nearest to Salt Lake City, Utah, and this person shall be the Appraiser.

The Appraiser will make his or her determination and submit a written report (the “*Appraiser Report*”) to you and us as soon as practicable, but in no event more than 60 days after his or her appointment. Each party may submit in writing to the Appraiser its judgment of Fair Market Value (together with its reason therefore); however, the Appraiser shall not be limited to these submissions and may make such independent investigations as he or she reasonably determines to be necessary. The Appraiser’s fees and costs shall be borne equally by the Parties.

We have the option, exercisable by delivering notice thereof within 30 days after submission of the Appraisal Report (or the date that an agreement is reached, if the Parties agree to the Fair Market Value), to agree to purchase the Purchased Assets at Fair Market Value. We shall have the unrestricted right to assign this option to purchase separate and apart from the remainder of this Agreement.

If we exercise our option to purchase, the purchase price for the Purchased Assets will be paid in cash at the closing, which will occur at the place, time and date we designate, but not later than 60 days after the exercise of our option to purchase the Purchased Assets. At the closing, we will be entitled to all representations, warranties, title insurance policies and other closing documents and post-closing indemnifications as we reasonably require, including: (1) instruments transferring good and marketable title to the Purchased Assets, free and clear of liens, encumbrances, and liabilities, to us or our designee, with all sales and other transfer taxes paid by you; and (2) an assignment of all leases of assets used in the operation of your Business, including land, building and/or equipment (or if an assignment is prohibited, a sublease to us or our designee for the full remaining term and on the same terms and conditions as your lease, including renewal and/or purchase options), provided, however, that if any of your Owners or Affiliates directly or indirectly owns the land, building and/or equipment of your Business, you will, at our option, cause this Owner or Affiliate to grant to us a lease at reasonable and customary rental rates and other terms prevailing in the community where your Business is located. Any dispute concerning the rental rates and terms of this lease shall be resolved by the Appraiser.

If you cannot deliver clear title to all of the Purchased Assets, or if there are other unresolved issues, the closing of the sale may, at our option, be accomplished through an escrow on such terms and conditions as we deem appropriate, including the making of payments, to be deducted from the purchase price, directly to third parties to obtain clear title to all of the Purchased Assets. Further, you and we shall comply with any applicable bulk sales provisions of the Uniform Commercial Code as enacted in the state where the Premises are located and all applicable state and local sales and income tax notification and/or escrow procedures. We have the right to set off against and reduce the purchase price by any and all amounts owed by you or any of your Owners or Affiliates to us or any of our Affiliates.

Upon delivery of the Appraisal Notice and pending (1) determination of Fair Market Value, (2) our option period, and (3) the closing of the purchase, we may authorize continued temporary operations of your Business pursuant to the terms of this Agreement, subject to the supervision and control of one or more of our appointed managers.

F. CONTINUING OBLIGATIONS.

All obligations of us and you which expressly or by their nature survive the termination of this Agreement will continue in full force and effect subsequent to and notwithstanding termination and until they are satisfied in full or by their nature expire.

16. RELATIONSHIP OF PARTIES/INDEMNIFICATION.

A. INDEPENDENT CONTRACTORS.

The Parties acknowledge and agree that the relationship created under the Agreement is that of independent contractors. Neither this Agreement nor the dealings of the parties pursuant to this Agreement shall create any fiduciary relationship or the relationship of principal and agent or employer and employee between the Parties, and in no circumstances shall either Party, their officers, directors, agents, employees, salespeople, or similar persons be considered the agents or employees of the other Party.

You understand and agree that we may operate and change the System and our business in any manner that is not expressly and specifically prohibited by this Agreement. Whenever we have expressly reserved in this Agreement or are deemed to have a right and/or discretion to take or withhold an action, or to grant or decline to grant you a right to take or withhold an action, except as otherwise expressly and specifically provided in this Agreement, we may make our decision or exercise our right and/or discretion on the basis of our judgment of what is in our best interests, including our judgment of what is in the best interest of our franchise network, at the time our decision is made or our right or discretion is exercised, without regard to whether: (1) other reasonable alternative decisions or actions could have been made by us; (2) our decision or the action we take promotes our financial or other individual interest; (3) our decision or the action we take applies differently to you and one or more other franchisees or Affiliated Businesses or other Affiliates of ours; or (4) our decision or the exercise of our right or discretion is adverse to your interests. In the absence of an applicable statute, we will have no liability to you for any such decision or action. We and you intend that the exercise of our right or discretion will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, we and you agree that this covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants us the right to make decisions, take actions and/or refrain from taking actions not inconsistent with your rights and obligations hereunder.

B. INDEMNIFICATION.

By signing below, you agree, during and after the Term of this Agreement, to indemnify us, our Affiliates and our respective directors, officers, employees, shareholders, members, agents, successors and assigns (collectively “*Indemnitees*”), and to hold the Indemnitees harmless to the fullest extent permitted by law, (i) from any and all Losses and Expenses (as defined below) incurred in connection with any litigation or other form of adjudicatory procedure, claim, demand, investigation, or formal or informal inquiry (regardless of whether it is reduced to judgment); and (ii) from any settlement thereof which arises directly or indirectly from, or as a result of, a claim of a third party against any one or more of the Indemnitees in connection with the development, ownership, operation or closing of any of your Cookie Co.™ Businesses (in each case, an “*Event*”), regardless of whether it resulted from any strict or vicarious liability imposed by law on the Indemnitees; provided, however, that this indemnification will not apply to any liability arising from a breach of this Agreement by the Indemnitees or the gross negligence or willful misconduct of Indemnitees (unless joint liability is involved, in which event the indemnification provided herein will extend to any finding of comparative or contributory negligence attributable to you).

The term “*Losses and Expenses*” includes compensatory, exemplary, and punitive damages; fines and penalties; attorney’s fees; experts’ fees; court costs; costs associated with investigating and defending against claims; settlement amounts; judgments; compensation for damages to our reputation and goodwill; and all other costs associated with any of the foregoing losses and expenses. We agree to give you reasonable notice of any Event of which we become aware for which indemnification may be required and we may elect (but are not obligated) to direct the defense thereof, provided that the selection of counsel shall be subject to your consent, which consent shall not be unreasonably withheld or delayed.

We may, in our reasonable discretion, take such actions as we deem necessary and appropriate to investigate, defend, or settle any Event or take other remedial or corrective actions with respect thereto as may be necessary for the protection of Indemnitees or Cookie Co.™ Businesses generally; provided, however, that any settlement shall be subject to your consent, which consent shall not be unreasonably withheld or delayed. Further,

notwithstanding the foregoing, if the insurer on a policy or policies obtained in compliance with your Franchise Agreement agrees to undertake the defense of an Event (an “*Insured Event*”), we agree not to exercise our right to select counsel to defend such event if such an action would cause your insurer to deny coverage. We reserve the right to retain counsel to represent us with respect to an Insured Event at our sole cost and expense. This Section 16.B shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

C. TAXES.

We will have no liability for any sales, use, service, occupation, excise, gross receipts, income, property or other taxes, whether levied upon your Business, your property or upon us, in connection with furnishings or equipment purchased, sales made or business conducted by you (except any taxes we are required by law to collect from you, in which case you shall be liable to us for the amount of any taxes owed). Payment of all these taxes shall be your responsibility. In the event of a *bona fide* dispute as to your liability for taxes, you may contest your liability in accordance with applicable law. In no event, however, will you permit a tax sale, seizure, or attachment to occur against your Business or any of its assets.

17. DISPUTE AVOIDANCE AND RESOLUTION.

A. MEDIATION AND MANDATORY BINDING ARBITRATION, WAIVER OF RIGHT TO TRIAL BY JURY, ETC.

All claims, disputes, suits, actions, controversies, proceedings, or otherwise, of every kind (hereinafter “claim” or “claims”) arising between or involving the Franchisor and the Franchisee except as expressly provided below, will be resolved as described below. This resolution process will apply to all such claims whether arising out of or relating to this or any other agreement or document, any alleged breach of duty (including the offer and/or sale of any franchise, any action for rescission or other action to set aside such sale or any other agreement), and on whatever theory or basis in fact. The resolution process will be as follows:

(i) First, the claim(s) will be discussed in a face-to-face meeting between the parties with individuals who are authorized to make binding commitments on their behalf. This meeting will be held at Franchisor’s then-current headquarters and within thirty (30) days after written notice is given proposing such a meeting. Either party may require the other to participate in the International Franchise Association’s Ombudsman (or similar) program prior to, or in conjunction with, any mediation, and all meetings to be held at Franchisor’s then-current headquarters.

(ii) Second, if, in the opinion of either party, the meeting has not successfully resolved such matters, they will be submitted to non-binding mediation through the National Franchise Mediation Program as administered by the CPR Institute for Dispute Resolution.

(iii) Third, if such mediation is not successful in resolving the dispute, claims will be submitted to and finally resolved by binding arbitration before and in accordance with the arbitration rules of AAA (or any successor organization). In each case, the parties to any mediation/arbitration will execute appropriate confidentiality agreements, excepting only such public disclosures and filings as required by law.

(iv) Franchisor and Franchisee agree that this Agreement does not obligate them to mediate or arbitrate claims or issues relating primarily to (i) the validity of the Marks, or any trademarks, service marks or other Intellectual Property licensed to Franchisee, (ii) Franchisor’s rights to obtain possession of any real and personal property (including any action in unlawful detainer, ejection or otherwise) (iii) Franchisor’s or Franchisee’s rights to obtain a writ of attachment and/or other pre-judgment remedies and/or (iv) Franchisor’s rights to receive and enforce a temporary restraining order, preliminary injunction, permanent injunction or other equitable relief (including, but not limited to, Franchisor’s rights to equitable relief with respect to Franchisee’s unlawful use of any of the Marks and/or other

Intellectual Property and Franchisee's breach of the confidentiality and/or non-compete provisions of this Agreement), intentional interruption by Franchisee or Franchisor of business operations with the exception of the provisions of Section 14 relating to Breaches, Defaults or Termination, and the exercise of any such rights and remedies will not be deemed a waiver of the rights to require or use mediation and/or arbitration.

Franchisor and Franchisee each knowingly waive all rights to trial by a court or jury. The parties each understand that arbitration may be less formal than a court or jury trial, may use different rules of procedure and evidence, and may make appeals generally less available. However, both parties still prefer, and have mutually selected (for the reasons set forth in this Section and the following one), mediation and/or arbitration as provided in this Agreement to resolve any and all disputes and claims, except as expressly provided in Section 14. The parties have had an express meeting of the minds on each these matters as set forth in this Section 17 and/or otherwise. Both parties further agree that the provisions of this Agreement will control the state or provincial laws by which this Agreement will be governed and construed, any provisions of state, provincial or other law to the contrary, and/or any statements in Franchisor's Disclosure Document or otherwise required as a condition of registration or otherwise

18. MISCELLANEOUS.

A. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS.

Each section, paragraph, term and provision of this Agreement shall be considered severable, and if any portion of this agreement is held to be invalid, contrary to, or in conflict with any applicable present or future law or regulation, it shall not have any effect upon such other portions of this Agreement as may remain otherwise intelligible. If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of or refusal to renew this agreement than is required under this Agreement, or the taking of some other action not required under it, or if under any applicable and binding law or rule of any jurisdiction, any provision of this agreement or any specification, standard or operating procedure prescribed by us is invalid or unenforceable, the prior notice and/or other action required by this law or rule shall be substituted for the comparable provisions of this Agreement, and we shall have the right to modify such invalid or unenforceable provision, specification, standard or operating procedure if required to be valid and enforceable and you will be bound to such modification. Otherwise, all modifications to this Agreement must be in writing signed by both Parties (except for modifications accomplished by virtue of our amendment to System Standards and/or the Operations Manual as described herein). If any covenant herein which restricts competitive activity is deemed unenforceable by virtue of its scope or in terms of geographic area, type of business activity prohibited and/or length of time, but could be rendered enforceable by reducing any part or all of it, you and we agree that it will be enforced to the fullest extent permissible under applicable law and public policy.

Nothing in this Agreement or any related agreement is intended to disclaim Franchisor's representations made in the Franchise Disclosure Document.

B. WAIVER OF OBLIGATION.

We and you may by written instrument unilaterally waive or reduce any obligation of, or restriction upon, the other under this Agreement, effective upon delivery of written notice to the other. We and you shall not be deemed to have waived or impaired any right, power or option reserved by this Agreement (i) by virtue of any custom or practice of the Parties at variance with the terms of this Agreement; (ii) any failure, refusal or neglect of us or you to exercise any right under this Agreement or to insist upon exact compliance by the other with its obligations under this Agreement; (iii) any waiver, forbearance, delay, failure or omission by the Company to exercise any right, power or option with respect to any other Cookie Co.TM Business; or (iv) our acceptance of any payments due from you after any breach of this Agreement. Neither Party shall be liable for loss or damage or deemed to be in breach of this Agreement if its failure to perform its obligations results from: (i) transportation shortages, inadequate supply of labor, material or energy, or the voluntary foregoing of the right to acquire or use any of the foregoing to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any department or agency thereof; (ii) compliance

with any law, ruling, order, regulation, requirement or instruction of any agency of government; (iii) acts of God; (iv) acts of omissions of the other Party; (v) fires, strikes, embargoes, war, or riot; or (vi) any other similar event or cause. Any delay resulting from any cause shall extend performance accordingly or excuse performance, in whole or in part, as may be reasonable.

C. ACKNOWLEDGEMENT ADDENDUM.

You acknowledge that you knowingly and truthfully executed Exhibit A attached hereto, or documents identical thereto, in which you acknowledge certain statements and representations.

D. COSTS AND ATTORNEYS' FEES.

In a judicial proceeding, the non-prevailing party agrees to reimburse the prevailing party for all of the prevailing party's costs and expenses, including reasonable accounting, paralegal, expert witness and attorneys' fees.

E. GOVERNING LAW.

This Agreement shall be construed under the laws of the State of Utah, provided, however, that the foregoing shall not constitute a waiver of any of your rights under any applicable franchise law of another state. In the event of any conflict of law, Utah law will prevail, without regard to its conflict-of-law principles. However, if any provision of this Agreement would not be enforceable under Utah law, and if your Business is located outside of Utah and this provision would be enforceable under the laws of the state in which your Business is located, then this provision shall be construed under the laws of that state. Nothing in this Section 18.E is intended to subject this Agreement to any franchise or similar law, rule or regulation of the State of Utah or any other state or political subdivision to which it otherwise would not be subject.

F. SPECIFIC PERFORMANCE/INJUNCTIVE RELIEF.

We may obtain in any court of competent jurisdiction any injunctive relief, including temporary restraining orders and preliminary injunctions, against conduct or threatened conduct for which no adequate remedy at law may be available or which may cause us irreparable harm. We may have this injunctive relief, without bond, but upon due notice, in addition to this further and other relief as may be available at equity or law, and your sole remedy in the event of the entry of this injunction shall be its dissolution, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any injunction being expressly waived). You and each of your Owners acknowledge that any violation of Sections 9, 13.C(x), 15.C or 15.D above would result in irreparable injury to us for which no adequate remedy at law may be available. Accordingly, you and each of your Owner's consent to the issuance of an injunction prohibiting any conduct in violation of any of those Sections and agree that the existence of any claim you or any of your Owners may have against us, whether or not arising from this Agreement, shall not constitute a defense to the enforcement of any of those Sections.

G. BINDING EFFECT.

This Agreement is binding upon the Parties to it and their respective executors, administrators, heirs, assigns, and successors in interest and shall inure to the benefit of any transferee or other legal successor to our interest herein.

H. CONSTRUCTION.

The preambles and the exhibit(s) and riders to this Agreement, if any, are part of this Agreement, which constitutes the entire agreement of the Parties, and there are no other oral or written understandings or agreements between the Company and you relating to the subject matter of this Agreement. The section headings are for convenience only and do not limit or construe their contents. The word "including" shall be construed in all instances to include the words "without limitation." The term "**Franchisee**" as used in this Agreement is applicable to one or more persons, or entities, as the case may be. Any singular usage includes the plural, and the masculine and neuter usages include the other and the feminine. If two or more persons are at any time Franchisee under this Agreement, their obligations and liabilities to the Company shall be joint and several. References to

“Franchisee,” “Owner” and “assignee” which are applicable to an individual or individuals shall mean the Owner or Owners of Franchisee or an assignee if Franchisee or the assignee is an entity.

I. SIGNATURES; TIME OF THE ESSENCE.

This Agreement may be signed in multiple copies, each of which shall be deemed an original. Time is of the essence in this Agreement.

J. EXERCISE OF RIGHTS.

The rights of Franchisor and Franchisee hereunder are cumulative, and no exercise or enforcement by Franchisor or Franchisee of any right or remedy hereunder shall preclude the exercise or enforcement by Franchisor or Franchisee of any other right or remedy hereunder which Franchisor or Franchisee is entitled to enforce by law. If you commit any act of default under any agreement or this Agreement for which Franchisor exercises its right to terminate this Agreement, you shall pay to Franchisor the actual and consequential damages Franchisor incurs as a result of the premature termination of this Agreement. You acknowledge and agree that the proximate cause of these damages sustained by Franchisor is your act of default and not Franchisor’s exercise of its right to terminate. Notwithstanding the foregoing, and except as otherwise prohibited or limited by applicable law, any failure, neglect, or delay of a party to assert any breach or violation of any legal or equitable right arising from or in connection with this Agreement shall constitute a waiver of this right and shall preclude the exercise or enforcement of any legal or equitable remedy arising therefrom, unless written notice specifying the breach or violation is provided to the other party within twenty-four months after the later of: (1) the date of the breach or violation; or (2) the date of discovery of the facts (or the date the facts could have been discovered, using reasonable diligence) giving rise to the breach or violation.

K. LIMITATIONS ON LEGAL ACTIONS.

Except with respect to your obligations regarding use of the Marks in Section 5 above and the Confidential Information in Section 9.A above, we, you and your Owners each waives, to the fullest extent permitted by law, any right to or claim for any punitive or exemplary damages against the other. You and each of your Owners waive, to the fullest extent permitted by applicable law, the right to recover consequential damages for any claim directly or indirectly arising from or relating to this Agreement.

You agree that for our franchise system to function properly we should not be burdened with costs of litigating system-wide disputes. Accordingly, any disagreement between you or your Owners and us shall be considered unique as to its facts and shall not be brought as a class action, and you and each of your Owners waive any right to proceed against us or any of our shareholders, members, Affiliates, officers, directors, employees, agents, successors and assigns by way of class action, or by way of a multi-plaintiff, consolidated or collective action. In any legal action between the parties, the court shall not be precluded from making its own independent determination of the issues in question, notwithstanding the similarity of issues in any other legal action involving us and any other franchisee, and each party waives the right to claim that a prior disposition of the same or similar issues precludes this independent determination.

Furthermore, the Parties agree that any legal action in connection with this Agreement shall be tried to the court sitting without a jury, and **all Parties waive any right to have any action tried by jury.**

L. APPROVAL AND CONSENTS.

Whenever this Agreement requires the approval or consent of either Party, the other Party shall make written request therefore, and such approval or consent shall be obtained in writing; provided, however, that unless specified otherwise in this Agreement, such Party may withhold approval or consent, for any reason or for no reason at all. Furthermore, unless specified otherwise in this Agreement, no such approval or consent shall be deemed to constitute a warranty or representation of any kind, express or implied, and the approving or consenting Party shall have no responsibility, liability or obligation arising therefrom.

M. NOTICES AND PAYMENTS.

All written notices permitted or required to be delivered by this Agreement shall be deemed so delivered:

(i) at the time delivered by hand to the recipient party or any officer, director, or partner of the recipient party;

(ii) on the same day of the transmission by facsimile, telegraph, e-mail or other reasonably reliable electronic communication system (provided sender has electronic confirmation of transmission);

(iii) one business day after being placed in the hands of a commercial courier service for guaranteed overnight delivery; or

(iv) five business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the party to be notified at its most current principal business address of which the notifying party has been notified in writing.

All notices to us must consist of two copies, one each to our general counsel and our chief executive officer, to be effective. All payments and reports required by this Agreement shall be sent to us at the address identified in this Agreement unless and until a different address has been designated by written notice to the other party. No restrictive endorsement on any check or in any letter or other communication accompanying any payments shall bind us, and our acceptance of any payments shall not constitute an accord and satisfaction.

All payment and reports required by this Agreement must be directed to the Company at the address notified to you.

N. RECEIPT OF DISCLOSURE DOCUMENT AND AGREEMENT.

You acknowledge having received our Franchise Disclosure Document 14 calendar days before signing a binding agreement or making any payment to us relating to this Agreement. You acknowledge having received this Agreement, with all blanks completed, at least seven calendar days before you signed it.

< Signatures on following page >

IN WITNESS WHEREOF, the Parties have signed, sealed and delivered this Agreement on the day and year first above written.

**FRANCHISOR:
COOKIE CO. FRANCHISING, LLC,**

a Utah limited liability company

By: _____
Print Name: _____
Its: _____

FRANCHISEE:

[_____] ,
[_____]

By: _____
Print Name: _____
Its: _____

OWNERS:

Signed: _____
Print Name: [_____]

Signed: _____
Print Name: [_____]

Signed: _____
Print Name: [_____]

EXHIBIT A
ACKNOWLEDGMENT ADDENDUM

Cookie Co. Franchising, LLC, a Utah limited liability company (“*we*”, “*us*”, the “*Company*” or “*Franchisor*”) and [_____, _____], [_____, _____] (“*you*” or “*Franchisee*”) have, as of [_____, _____], entered into a certain Cookie Co.™ Franchise Agreement (the “*Franchise Agreement*”) and desire to supplement its terms, as set out below.

1. You acknowledge and represent that you have read this Agreement and our Franchise Disclosure Document and understand and accept the provisions of this Agreement as being reasonably necessary to maintain our high standards of quality and service and the uniformity of those standards at all Cookie Co.™ Businesses franchised or operated by us and to protect and preserve the goodwill of the Marks.

_____ *[Franchisee’s Initials]*

2. You acknowledge that you have conducted an independent investigation of the business venture contemplated by this Agreement and you recognize that, like any other business, the nature of the business contemplated by this Agreement may change over time, that an investment in a Cookie Co.™ Business involves business risks, and that the success of the venture is largely dependent upon your business abilities and efforts.

_____ *[Franchisee’s Initials]*

3. You acknowledge and understand that any information relating to the sales, profits or cash flows of Cookie Co.™ Businesses operated by us, our Affiliates, or our franchisees that is contained in our Franchisee Disclosure Document and other materials is intended only to be an indication of historical performance of certain Cookie Co.™ Businesses and NOT a prediction of potential future financial performance.

_____ *[Franchisee’s Initials]*

4. Except for the financial performance representations, if any, included in our Franchise Disclosure Document, we expressly disclaim the making of, and you acknowledge that you have not received or relied on, any express or implied warranty or guarantee as to the revenues, profits or success of the business venture contemplated by this Agreement.

_____ *[Franchisee’s Initials]*

5. You acknowledge and understand that our officers, directors, employees and agents are acting only in a representative and not a personal capacity in their dealings with you. You also acknowledge and represent that you have not received or relied on any representations about us or our franchise program or policies from us or our officers, directors, employees or agents that are contrary to the statements made in our Franchise Disclosure Document or to the terms of this Agreement.

_____ *[Franchisee’s Initials]*

6. You represent to us, as an inducement to your entry into this Agreement, that all statements in your application for the rights granted in this Agreement are accurate and complete and that you have made no misrepresentations or material omissions in obtaining these rights.

_____ *[Franchisee’s Initials]*

7. You acknowledge that you received a copy of this Agreement, all applicable addenda, and any other related agreements with us or our Affiliates and our Franchise Disclosure Document at least 14 calendar days before the date on which this Agreement was signed.

_____ *[Franchisee’s Initials]*

8. You acknowledge and agree that this Agreement, together with any duly signed amendment or addendum attached to the Agreement, contains the entire agreement between the Parties with respect to your Franchise for your Business, and that it supersedes any prior or contemporaneous agreements between the Parties, written or oral, with respect to the Franchise for your Business.

_____ *[Franchisee’s Initials]*

9. You acknowledge and agree that this Agreement creates an arm’s-length commercial relationship that cannot and will not be transformed into a fiduciary or other “special” relationship by course of dealing, by any indulgences or benefit that we bestow on you, or by inference from a party’s conduct.

_____ *[Franchisee’s Initials]*

IN WITNESS WHEREOF, the undersigned have signed this Agreement on the date first above written.

FRANCHISOR

FRANCHISEE

Cookie Co. Franchising, LLC,
a Utah limited liability company

[_____] ,
[_____]

By: _____
Print Name: [_____]]
Title: President and CEO

By: _____
Print Name: [_____]]
Title: [_____]

EXHIBIT B
OWNERSHIP ADDENDUM TO FRANCHISE AGREEMENT

Cookie Co. Franchising, LLC, a Utah limited liability company (“we”, “us”, the “*Company*” or “*Franchisor*”) and [_____, _____] (“you” or “*Franchisee*”) have, as of [_____, _____], entered into a certain Cookie Co.™ Franchise Agreement (“*Franchise Agreement*”) and desire to supplement its terms, as set out below. The Parties therefore agree as follows:

1. **Operating Partner.** The name, home address, and social security number of the Operating Partner are as follows:

<u>NAME</u>	<u>HOME ADDRESS</u>	<u>SSN</u>
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2. **Entity Type of Franchisee.** Franchisee is a [limited liability company / corporation / general partnership / limited partnership], which was [organized/formed] on the ___ day of _____, 20____, under the laws of the State of _____. Its Federal Employer Identification Number is _____. It has not conducted business under any name other than its [company/corporate/partnership] name. The following is a list of all of Franchisee’s [directors, officers or managers / general partners] as of [_____].

<u>NAME OF</u>	<u>POSITION</u>
<u>[DIRECTOR/OFFICER/MANAGER/GENERAL</u>	
<u>PARTNER]</u>	

3. **Owners.** Franchisee and each of its Owners represents and warrants that the following is a complete and accurate list of all Owners of Franchisee, including the full name, mailing address, and social security number of each Owner, and fully describes the nature and extent of each Owner’s interest in Franchisee. Franchisee and each Owner as to his/her ownership interest in Franchisee, represents and warrants that each Owner is the sole and exclusive legal beneficial owner of his/her ownership interest in Franchisee, free and clear of all liens, restrictions, agreements and encumbrances of any kind or nature, other than those required or permitted by the Agreement.

<u>OWNER'S NAME</u>	<u>SSN</u>	<u>OWNER'S ADDRESS</u>	<u>OWNERSHIP PERCENTAGE</u>
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[_____]			
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[_____]			
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[_____]			
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4. **Change.** You must immediately notify us in writing of any change in the information contained in this Addendum and, at our request, prepare and sign a new Addendum containing the correct information.

5. **Date of Addendum.** The date of this Addendum is [_____].

< Signatures on following page >

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his/her signature as of [_____].

FRANCHISOR

Cookie Co. Franchising, LLC,
a Utah limited liability company

By: _____

Print Name:
[_____]

Title: President and CEO

FRANCHISEE

[_____] ,
[_____]

By: _____

Print Name:
[_____]

Title:
[_____]

OWNERS

Signed: _____

Print Name:
[_____]

Signed: _____

Print Name:
[_____]

Signed: _____

Print Name:
[_____]

EXHIBIT C GUARANTY

In consideration of, and as an inducement to, the signing of a Cookie Co.TM Franchise Agreement dated [_____] (the “*Agreement*”) by and between Cookie Co. Franchising, LLC, a Utah limited liability company (“*Franchisor*”) and [_____] (“*Franchisee*”), each of the undersigned owners of a 10% or greater direct or indirect interest in Franchisee for themselves, their heirs, legal representatives, successors and assigns (each a “*Guarantor*”, and collectively the “*Guarantors*”) do hereby personally, unconditionally, individually, jointly and severally: (1) guarantee to Franchisor and to its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement (and any modification or amendment to the Agreement) including the payment of all continuing license fees, marketing fees and all other fees and charges accruing pursuant to the Agreement and that each and every representation of Franchisee made in connection with the Agreement (and any modification or amendment to the Agreement) are true, correct and complete in all respects at and as of the time given; and (2) agree personally to be bound by, and personally liable for the breach of, each and every provision in the Agreement (and any modification or amendment to the Agreement).

Each of the Guarantors further agrees as follows:

1. The Guarantors, individually, jointly and severally, shall be personally bound by each and every condition and term contained in the Agreement as though each of the Guarantors had signed a franchise agreement containing the identical terms and conditions of the Agreement, including the provisions relating to confidentiality and non-competition covenants. This Guaranty shall continue in favor of Franchisor notwithstanding any extension, modification, or alteration of the Franchise Agreement, and notwithstanding any assignment of the Agreement, with or without the Franchisor’s consent. No extension, modification, alteration or assignment of the Agreement shall in any manner release or discharge the Guarantors, and each of the Guarantors consents to any extension, modification, alteration or assignment.

2. Each Guarantor’s liability under this Guaranty is primary and independent of the liability of Franchisee and any other Guarantors. Each Guarantor waives any right to require Franchisor to proceed against any other person or to proceed against or exhaust any security held by Franchisor at any time or to pursue any right of action accruing to Franchisor under the Agreement. Franchisor may proceed against each Guarantor and Franchisee jointly and severally or may, at its option, proceed against each Guarantor without having commenced any action, or having obtained any judgment, against Franchisee or any other Guarantor. Each Guarantor waives the defense of the statute of limitations in any action under this Guaranty or for the collection of any indebtedness or the performance of any obligation guaranteed pursuant to this Guaranty. Each Guarantor waives any right that the undersigned may have to require that an action be brought against Franchisee or any other person as a condition of liability. Each Guarantor waives any and all other notices and legal or equitable defenses to which the undersigned may be entitled.

3. The Guarantors unconditionally, individually, jointly and severally agree to pay all attorneys’ fees and all costs and other expenses incurred in any collection or attempted collection of this Guaranty or in any negotiations relative to the obligations guaranteed or in enforcing this Guaranty against Franchisee.

4. Each Guarantor waives notice of any demand by Franchisor, any notice of default in the payment of any amounts contained or reserved in the Agreement (and any modification or amendment to the Agreement), or any other notice of default or nonperformance of any obligations under the Agreement. Each Guarantor waives protest and notice of default to any party with respect to indebtedness, default or nonperformance of any obligations under the Agreement (and any modification or amendment to the Agreement).

Each Guarantor expressly agrees that the validity of this Guaranty and its obligations shall in no way be terminated, affected or impaired by reason of any waiver by Franchisor, or its successors or assigns, or the failure of Franchisor to enforce any of the terms, covenants or conditions of the Agreement or this Guaranty, or the granting of any indulgence or extension of time to Franchisee, all of which may be given or done without notice to the Guarantors.

5. This Guaranty shall extend, in full force and effect, to any assignee or successor of Franchisor and shall be binding upon the Guarantors and each of their respective successors and assigns.

6. Until all obligations of Franchisee to Franchisor have been paid or satisfied in full, the Guarantors have no remedy or right of subrogation and each Guarantor waives any right to enforce any remedy which Franchisor has or may in the future have against Franchisee and any benefit of, and any right to participate in, any security now or in the future held by Franchisor.

7. All existing and future indebtedness of Franchisee to each Guarantor is hereby subordinated to all indebtedness and other monetary obligations guaranteed in this Guaranty and, without the prior written consent of Franchisor, shall not be paid in whole or in part to any Guarantor, nor will any Guarantor accept any payment of or on account of any indebtedness while this Guaranty is in effect, unless at the time of this payment, all indebtedness and other monetary obligations to Franchisor are current under the terms of the Agreement.

8. Each Guarantor consents and agrees that the undersigned shall render any payment or performance required under this Guaranty and that the liability of each Guarantor shall be joint and several. This liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which the Franchisor may periodically grant to Franchisee or to any other person including the acceptance of any partial payment or performance or the compromise or release of any claims, none of which shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable until satisfied in full.

9. Each Guarantor waives acceptance and notice of acceptance by Franchisor of the foregoing undertakings. Each Guarantor waives notice of any amendment to the Agreement.

10. Each Guarantor hereby acknowledges that Franchisor or its affiliates may perform inquiries into each Guarantor's credit history for purposes of enforcing or maintaining its rights under this Guaranty. Each Guarantor hereby authorizes, without reservation, all government agencies, institutions, information service bureaus, consumer reporting agencies, and other public records providers contacted by Franchisor or its affiliates to furnish such information upon request.

You and your owners irrevocably submit to the jurisdiction of the courts of the State of Utah in any suit, action or proceeding, arising out of or relating to this Guaranty or any other dispute between you and us, and you irrevocably agree that all claims in respect of any suit, action or proceeding must be brought and/or defended except with respect to matters that are under the exclusive jurisdiction of the federal courts of the United States of America, which shall be brought and/or defended in the federal district court sitting in Salt Lake City, Utah. You irrevocably waive, to the fullest extent you may lawfully do so, the defense of an inconvenient forum to the maintenance of this suit, action, or proceeding and agree that service of process for purposes of any suit, action, or proceeding need not be personally served or served within the State of Utah, by certified mail or any other means permitted by law addressed to you at the address set forth herein. Nothing contained herein shall affect our rights to bring a suit, action or proceeding in any other appropriate jurisdiction, including any suit, action or proceeding brought by us to enforce any judgment against you entered by a state or federal court.

< Signatures on following page >

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his/her signature to be effective as of [_____].

GUARANTORS

Signed:

Print Name:
[_____]

Signed:

Print Name:
[_____]

Signed:

Print Name:
[_____]

EXHIBIT D
LEASE ADDENDUM

This Lease Addendum is signed as of [_____], by and between [_____, [_____] (“**Franchisee**”) and [_____, [_____] (“**Landlord**”) as an addendum to the lease (as periodically modified, amended, supplemented, renewed, and/or extended as contemplated herein, the “Lease”) for the premises located at [_____] (the “**Premises**”) dated as of [_____].

The Lease is hereby modified to include the following provisions. In the event the provisions below contradict the provisions of the Lease, the provisions contained herein shall supersede any terms to the contrary set forth in the Lease.

WHEREAS, Franchisee has signed or intends to sign a Franchise Agreement (the “**Franchise Agreement**”) with Cookie Co. Franchising, LLC (the “**Franchisor**”) for the operation of a Cookie Co.™ Business at the Premises, and as a requirement thereof, the lease for the Premises must include the provisions contained in this Addendum.

NOW THEREFORE, in consideration of mutual covenants set forth herein, the signing and delivery of the Lease, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord and Franchisee hereby agree as follows:

1. Landlord shall deliver to Franchisor a copy of any notice of default or termination of the Lease at the same time such notice is delivered to Franchisee. In the event of default by Franchisee, Landlord must provide notice to Franchisor of Franchisee’s default under the Lease, and Landlord must provide Franchisor with the right (but not the obligation) to cure Franchisee’s default.
2. Notwithstanding anything to the contrary contained in the Lease, Franchisee shall have the absolute right to sublet, assign, or otherwise transfer its interest in the Lease to Franchisor or any of its affiliates, or to a corporation with which the Franchisee or Franchisor may merge or consolidate, without Landlord’s approval, written or otherwise.
3. If the Franchisor requests, the Franchisee shall assign to Franchisor, and Landlord hereby irrevocably and unconditionally consents to this assignment, all of Franchisee’s rights, title, and interest to and under the Lease, but no such assignment shall be effective unless:
 - a. the Franchise Agreement is terminated or expires without signing of a successor franchise agreement; and
 - b. Franchisor notifies the Franchisee and Landlord in writing that Franchisor assumes Franchisee’s obligations under the lease.
4. Landlord agrees that Franchisor, or Franchisor’s assignee or designee has the right (but not the obligation) to assume the Lease or sublease: (1) upon expiration or termination of the Franchise Agreement (without renewal) between Franchisee and Franchisor; (2) if Franchisee fails to exercise any options to renew or extend the Lease during the term of the Franchise Agreement between Franchisee and Franchisor; (3) if Franchisee commits a default that gives the Landlord the right to terminate the Lease or sublease; or (4) if Franchisor purchases Franchisee’s Business (as permitted by the Franchise Agreement between Franchisor and Franchisee).
5. Landlord agrees that Franchisor shall have the right, but not the obligation, upon giving written notice of its election to Franchisee and Landlord, to cure any breach of the Lease on behalf of the Franchisee. By so curing a breach of the Lease, Franchisor in no wise shall be deemed to have assumed the Lease or incurred any liability or obligation whatsoever under the Lease.

6. The Lease may not be amended, modified, extended, supplemented, assigned, or renewed in any manner or assigned by Franchisee without Franchisor's prior written consent.
7. Franchisee and Landlord acknowledge and agree that Franchisor shall have no liability or obligation whatsoever under the Lease unless and until Franchisor assumes the Lease in writing pursuant to Sections 2, 3, or 4 above. Franchisor will assume all of Franchisee's obligations under the Lease or Sublease from and after the date of assignment, but shall have no obligation to pay any delinquent rent or to cure any other default under the Lease that occurred or existed before the date of assignment.
8. If Franchisor assumes the Lease, as above provided, Franchisor may further assign the Lease to another person or entity to operate the Cookie Co.™ Business at the Premises, subject to Landlord's consent, which consent will not be unreasonably withheld or delayed. Landlord agrees to sign such further documentation to confirm its consent to the assignments permitted under this Addendum as Franchisor may request.
9. Landlord and Franchisee hereby acknowledge that Franchisee has agreed under the Franchise Agreement that Franchisor and its employees or agents shall have the right to enter the Premises for certain purposes. Landlord hereby agrees not to interfere with or prevent this entry by Franchisor, its employees, or its agents, onto the Premises. Landlord and Franchisee hereby further acknowledge that in the event the Franchise Agreement expires (without renewal) or is terminated, Franchisee is obligated to take certain steps under the Franchise Agreement to de-identify the location as a Cookie Co.™ Business. Landlord agrees to permit Franchisor, its employees, or its agents, to enter the Premises and remove signs (both interior and exterior), décor, and materials displaying any marks, designs, or logos owned by Franchisor, provided Franchisor shall bear the expense of repairing any damage to the Premises as a result thereof.
10. Under the Franchise Agreement, any lease for the location of a Cookie Co.™ Business is subject to Franchisor's approval. Accordingly, the Lease is contingent upon such approval.
11. Upon Franchisor's request, Franchisee hereby authorizes and requires the Landlord to disclose to Franchisor, upon Franchisor's request, sales and other information that Franchisee furnishes to the Landlord.
12. Landlord and Franchisee agree that if Landlord is an Owner or an Affiliate of the Franchisee, as defined in the Franchise Agreement, and Landlord proposes to sell the Premises, before such sale of the Premises, the Lease upon the request of the Franchisor shall be amended to reflect a rental rate and other terms that are the reasonable and customary rental rates and terms prevailing in the community where the Leased Premises are located.
13. Landlord agrees that during and after the term of the Lease, it will not disclose or use Confidential Information (as defined below) for any purpose other than for the purpose of fulfilling Landlord's obligations under the Lease. "**Confidential Information**" as used herein shall mean all non-public information and tangible things, whether written, oral, electronic or in other form, provided or disclosed by or on behalf of Franchisee to Landlord, or otherwise obtained by Landlord, regarding the design and operations of the business located at the Premises, including all information identifying or describing the floor plan, equipment, furniture, fixtures, wall coverings, flooring materials, shelving, decorations, trade secrets, trade dress, "look and feel," layout, design, menus, recipes, formulas, manner of operation, suppliers, vendors, and all other products, goods, and services used, useful or provided by or for Franchisee on the Premises. Landlord acknowledges that all Confidential Information belongs exclusively to Franchisor. Landlord agrees that should it breach or threaten to breach this provision of the Addendum, Franchisor will suffer irreparable damages and its remedy at law will be inadequate. Therefore, if Landlord threatens or actually breaches this provision, Franchisor (which, along with its successors and assigns, is an intended third-party beneficiary of the provisions of this paragraph), shall be entitled to all remedies available to Franchisor at law or in equity, including injunctive relief.
14. If the Premises are to be located in a shopping center, mall or other multi-tenant facility, the Landlord agrees that it will not lease another space within this facility to any food service entity that serves fresh baked

cookie or other baked good or for whom such cookies or other baked goods comprise more than 20% of the menu or represent more than 20% of the sales.

- 15. Landlord agrees to provide that a memorandum of the Lease be recorded in the appropriate recorder's office in the county in which your Business is located and that a copy of the recording certificate be sent to Franchisor.
- 16. Landlord acknowledges that it has reviewed the Approved Cookie Co.™ Design and Signage Package. Landlord agrees and consents to Franchisee's use of one or more of the signs described in the Approved Cookie Co.™ Design and Signage Package and all trade dress elements found in the same Approved Cookie Co.™ Design and Signage Package as required by Franchisor.
- 17. Copies of any and all notices required or permitted hereby or by the Lease shall also be sent to Franchisor at:

Cookie Co. Franchising, LLC
2278 North 300 East
Lehi, Utah 84042
Attention: CEO

- 18. Landlord and Franchisee agree and acknowledge that Franchisor is a beneficiary of this Lease Addendum and has the right to enforce the provisions hereof as if it were a party hereto.

IN WITNESS WHEREOF, the parties sign this Lease Addendum as of [_____].

LANDLORD

_____,
a _____

By: _____
Print Name: _____
Title: _____

FRANCHISEE

[_____] ,
[_____]

By: _____
Print Name: [_____]]
Title: [_____]

EXHIBIT E
INVESTOR PERSONAL COVENANTS REGARDING
CONFIDENTIALITY & NON-COMPETITION

In conjunction with your investment in [_____], [_____] (“**Franchisee**”), you (“**Investor**” or “**you**”), acknowledge and agree as follows for the benefit of Cookie Co. Franchising, LLC, a Utah limited liability company (“**Cookie Co.™**”):

1. Franchisee owns and operates, or is developing, a Cookie Co.™ Business located or to be located at [_____] pursuant to a franchise agreement dated [_____] (“**Franchise Agreement**”) with Cookie Co.™, which Franchise Agreement requires persons with legal or beneficial ownership interests in Franchisee under certain circumstances to be personally bound by the confidentiality and non-competition covenants contained in the Franchise Agreement. All capitalized terms contained herein shall have the same meaning set forth in the Franchise Agreement.
2. You own or intend to own the percentage legal or beneficial ownership interest in Franchisee, set forth beneath your signature below, and acknowledge as set forth below your signature below and agree that your signing of this Agreement is a condition to such ownership interest and that you have received good and valuable consideration for signing this Agreement. Cookie Co.™ may enforce this Agreement directly against you and your Owners (as defined below).
3. If you are a corporation, partnership, limited liability company or other entity, all persons who have a legal or beneficial interest in you (“**Owners**”) must also sign this Agreement.
4. You and your Owners, if any, may gain access to parts of Cookie Co.™’s Confidential Information (as defined in the Franchise Agreement) as a result of investing in Franchisee. The Confidential Information is proprietary and includes Cookie Co.™’s Trade Secrets (as defined in the Franchise Agreement). You and your Owners hereby agree that while you and they have a legal or beneficial ownership interest in Franchisee and thereafter you and they: (a) will not use the Confidential Information in any other business or capacity (such use being an unfair method of competition); (b) will maintain the confidentiality of the Confidential Information; and (c) will not make unauthorized copies of any portion of the Confidential Information disclosed in written, electronic or other form. If you or your Owners cease to have an interest in Franchisee, you and your Owners, if any, must deliver to Cookie Co.™ any Confidential Information in your or their possession or control.
5. During the term of the Franchise Agreement and during such time as you and your Owners, if any, have any legal or beneficial ownership interest in Franchisee, you and your Owners, if any, agree that you and they will not, without Cookie Co.™’s written consent (which consent may be withheld at Cookie Co.™’s discretion) directly or indirectly (such as through an affiliate or through your or their immediate families) own any legal or beneficial interest in, or render services or give advice in connection with: (a) any Competitive Business (as defined in the Franchise Agreement) located anywhere; or (b) any entity located anywhere which grants franchises, or licenses to others to operate any Competitive Business.
6. For a period of two years, starting on the earlier to occur of the date you or your Owners cease to have any legal or beneficial ownership interest in Franchisee and the effective date of termination or expiration (without renewal) of the Franchise Agreement, neither you nor any of your Owners directly or indirectly (such as through an Affiliate or through you or their immediate families) shall own a legal or beneficial interest in, or render services or give advice to: (a) any Competitive Business operating within a radius of five miles of any Cookie Co.™ Business then in operation or under construction; (b) any entity which grants franchises or licenses other interests to others to operate any Competitive Business; or (c) recruit or hire any person who is an employee of yours, ours or of any Cookie Co.™ Business operated by us, our Affiliates or any franchisee of ours without obtaining the employer’s consent, which consent may be withheld for any reason. If you or any of your Owners fail to or refuse to abide by any of the foregoing covenants and Cookie Co.™ obtains enforcement in a judicial proceeding, the obligations under the breached covenant will continue in effect for a period of time ending two years after the date of the order enforcing the covenant.

7. You and each of your Owners expressly acknowledge the possession of skills and abilities of a general nature and the opportunity to exploit these skills in other ways, so that enforcement of the covenants contained in Paragraphs 5 and 6 above will not deprive any of you of your personal goodwill or ability to earn a living. If any covenant herein which restricts competitive activity is deemed unenforceable by virtue of its scope or in terms of geographic area, type of business activity prohibited and/or length of time, but could be rendered enforceable by reducing any part or all of it, you and we agree that it will be enforceable to the fullest extent permissible under applicable law and public policy. In addition to relief as may be available at equity or law, Cookie Co.TM may obtain in any court of competent jurisdiction any injunctive relief, including temporary restraining orders and preliminary injunctions, against conduct or threatened conduct for which no adequate remedy at law may be available or which may cause it irreparable harm. You and each of your Owners acknowledge that any violation of Paragraphs 4, 5, or 6 hereof would result in irreparable injury for which no adequate remedy at law may be available. If Cookie Co.TM files a claim to enforce this Agreement and prevails in such proceeding, you must reimburse Cookie Co.TM for all its costs and expenses, including reasonable attorneys' fees.

8. This agreement does not supersede or cancel any prior understandings and agreements you and your Owners had with respect to these matters, including any provision of the Franchise Agreement and any agreement previously entered into with Cookie Co.TM or its affiliates pertaining to confidentiality. You and your Owners have read this agreement thoroughly, understand it, and sign it freely and voluntarily.

< Signatures on following page >

IN WITNESS WHEREOF, the undersigned have signed this Agreement on the date first above written.

INVESTOR

OWNERS

Signed: _____
Print Name: _____

Signed: _____
Print Name: _____

Ownership Percentage: _____%

Signed: _____
Print Name: _____

Signed: _____
Print Name: _____

EXHIBIT F
AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS
(DIRECT DEBITS)

[Important Instructions for Completing this Form: Before we can process your Franchise Agreement, you must sign and return this authorization. If, at the time you sign your Franchise Agreement, you do not have your account set up, or if you do not yet know your account information, please show that you agree to the terms of this authorization by signing this form, leaving the account information blank, and returning the signed form with your Franchise Agreement. You can give us your account information when you receive it, but we must have the information before you open your Business. If you have any questions about what this form means, you should get advice from your lawyer, your accountant or your bank.]

Your Name (or name of legal entity on Franchise Agreement): [_____]
Your Social Security Number (or legal entity Federal Tax ID Number): _____
Name on Bank Account (if different than above): _____

The undersigned (“**Account Holder**”) hereby authorizes Cookie Co. Franchising, LLC, a Utah limited liability company (“**Company**”) to initiate debit entries and/or credit correction entries to Account Holder’s checking and/or savings account(s) listed below at the bank, credit union or other depository listed below (“**Bank**”) and to debit this account per Company’s instructions for any and all amounts due to Company. The Account Holder understands that all amounts debited from the account below will be credited to Company’s account.

*[Instead of completing the information required on the following four lines,
you may attach hereto a cancelled or voided check.]*

NAME OF BANK	Branch
City	State Zip Code
Telephone Number of Bank	Contact Person at Bank
Bank Transit/ABA Number	Account Number

This authority is to remain in effect until Bank has received joint written notice from Company and Account Holder of the Account Holder’s termination. Any termination notice must be given in a way as to give Bank a reasonable opportunity to act on it. If a debit entry is initiated to Account Holder’s account in error, Account Holder shall have the right to have the amount of the error credited to the account by Bank, if (a) within 15 calendar days following the date on which Bank sent to Account Holder a statement of account or a written notice regarding this entry or (b) 45 days after posting, whichever occurs first, Account Holder shall have sent to Bank a written notice identifying this entry, stating that this entry was in error and requesting Bank to credit the amount thereof to this account. These rights are in addition to any rights Account Holder may have under federal and state banking laws.

[_____] ,
[_____]

By: _____
Print Name: [_____]
Title: _____

Date: _____

EXHIBIT G
SITE SELECTION ADDENDUM

Cookie Co.TM Franchising, LLC, a Utah limited liability company (“*we*”, “*us*”, the “*Company*” or “*Franchisor*”) and [_____], [_____] (“*you*” or “*Franchisee*”) have, as of [_____], entered into a certain Cookie Co.TM Franchise Agreement (the “*Franchise Agreement*”) and desire to supplement its terms, as set out below in this Site Selection Addendum (the “*Addendum*”). The parties therefore agree as follows:

1. Criteria for Site Approval.

You agree that within _____ (____) days after executing the Franchise Agreement, you will locate and obtain our approval for a site within the Site-Selection Area for the establishment of your Business. For purposes of this Agreement, “*Site-Selection Area*” is defined as _____.

You must submit to us the following:

- (a) a complete site proposal form containing population, growth, income, and other potential customer demographics information, traffic patterns, access, visibility, location of other retail food establishments and relative sales performance (including other Cookie Co.TM Businesses) and size, condition, configuration, appearance and other physical characteristics of the site and all other information that we reasonably require for the site;
- (b) if the Premises for the proposed site are to be leased, satisfactory evidence that the lessor will agree to the minimum requirements contained in the Lease Addendum to be signed between us, you and the lessor, attached to the Franchise Agreement as Exhibit D; and
- (c) any other information or materials as we may require, such as a letter of intent or other document which confirms your favorable prospects for obtaining the proposed site.

2. Site Approval.

We will approve or reject each site for which you submit to us a complete Site Proposal Package in accordance with Section 3.A of the Franchise Agreement and, if we approve the site, we will do so by delivering our standard Site Approval Letter. Our Site Approval Letter, duly signed by us, is the exclusive means by which we approve a proposed site, and no other direct or indirect representation, approval or acceptance, whether in writing or verbally, by any of our officers, employees or agents, shall be effective or bind us. We will use all reasonable efforts to make a site approval decision and, if the site is approved, deliver a Site Approval Letter to you within 30 days after we receive the complete Site Proposal Package and any other materials we have requested. In deciding whether to approve or reject a site you propose, we may consider such factors as we, in our sole discretion, deem appropriate, including the general location and neighborhood, population, growth, income, and other potential customer demographics information, traffic patterns, access, visibility, location of other retail food establishments (including other Cookie Co.TM Businesses) and size, condition, configuration, appearance and other physical characteristics of the site. Neither our approval of a proposed site, nor any information communicated to you regarding our standard site selection criteria or the proposed site, constitutes a warranty or representation of any kind, express or implied, as to the suitability of the proposed site, but merely signifies that we are willing to grant a franchise for a Cookie Co.TM Business at that location in accordance with the terms of the Franchise Agreement. Your decision to develop and operate a Cookie Co.TM Business at any site is based solely on your own independent investigation of the suitability of the site for a Cookie Co.TM Business. In consideration of our approval of a proposed site, you and your Owners agree to release us, and our Affiliates, shareholders, members, officers, directors, employees, agents, successors and assigns from any and all loss, damages and liability arising from or in connection with the selection and/or approval of this site for the development of a Cookie Co.TM Business.

3. **Costs of On-Site Evaluation.**

We may also provide an on-site evaluation of sites proposed pursuant hereto as we deem necessary or appropriate. If we deem it necessary to provide an on-site evaluation of the proposed site, you must coordinate and arrange for the visit by our representative or agent and may be required to pay our related travel expenses.

4. **Extensions.**

Upon your written request, we, at our sole discretion and without obligation, may grant a written extension or extensions to the period for approval of a proposed site.

5. **Purchase Agreement/Lease.**

You must lease, sublease or purchase the Premises within 90 days after signing the Franchise Agreement. We have the right to approve the terms of any lease, sublease or purchase contract for the Premises, and you must deliver a copy to us for our approval before you sign it. You agree that any lease or sublease for the Premises must, in form and substance satisfactory to us, include all of the provisions set forth on Exhibit D of the Franchise Agreement or substantially similar provisions. You may not sign a lease, sublease or purchase contract 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 purchase contract, assume any liability or responsibility to you or to any third parties. You must deliver a copy of the fully signed lease, sublease, or purchase contract to us within five days after its signing. If you, one of your Owners, or one of your Affiliates at any time owns the Premises, you must immediately notify us and we may require that you or such Owner or Affiliate (1) enter into an agreement with us in recordable form granting us the right and option, in the event of a termination (for whatsoever reason) of the Franchise Agreement, to lease the Premises at fair market rental rates for a term coterminous with the term of the Franchise Agreement for these Premises; or (2) enter into a prime lease with us at fair market rental rates for a term coterminous with the term of the Franchise Agreement for these Premises and a sublease with us on the same terms as the prime lease. The prime lease and sublease referenced in the preceding sentence shall be on the then current lease and the sublease forms used by us.

If the lease for your Business expires or is terminated before the end of the term, you may move your Business to another location chosen in accordance with our site evaluation and approval process found in Section 3 of the Franchise Agreement. The new location: (1) must be in the original Business's Protected Area, as determined by us, and (2) may in no case infringe upon a franchise agreement or other agreement applicable to another Business.

If you lose possession of your Business's Premises because the lease expired by its terms, or on account of condemnation or eminent domain proceedings, or as the result of early termination pursuant to Section 14 of the Franchise Agreement, you must initiate the relocation procedure in time to lease, build-out and open your Business for business within 60 days after the original Business closes. If your lease is terminated on account of a fire or other casualty, you must initiate the relocation procedure in time to lease, build-out and open your Business for business within 120 days after the lease for the original Business terminates.

6. **Effect and Interpretation.**

This Addendum will be considered an integral part of the Franchise Agreement between the Parties, and the terms of this Addendum will be controlling with respect to the subject matter hereof. Except as modified or supplemented by this Addendum, the terms of the Franchise Agreement are hereby ratified and confirmed.

< Signatures on following page >

IN WITNESS WHEREOF, the Parties have signed and delivered this Agreement on the day and year first above written.

FRANCHISOR

Cookie Co.™ Franchising, LLC,
a Utah limited liability company

By: _____
Print Name: [_____]
Title: President and CEO

FRANCHISEE

[_____] ,
[_____]

By: _____
Print Name: [_____]
Title: _____

EXHIBIT H
ASSIGNMENT OF TELEPHONE NUMBER(S)

Business Number: [_____]

Name of Franchisee: [_____]

Address of Business: [_____]

Telephone Number(s): _____; _____; _____

For valuable consideration, the Franchisee identified above (“Franchisee”) assigns and transfers to Cookie Co. Franchising, LLC, a Utah limited liability company (the “*Company*”) all of Franchisee’s rights and interests in each and all of the telephone numbers used in connection with the Franchise, including, without limitation, each of those listed above (the “*Numbers*”).

Franchisee authorizes the Company to file this Assignment with the telephone company that issued the Numbers for the purposes of establishing the Company’s claim to and right to designate the user of the Numbers.

Franchisee irrevocably constitutes and appoints the Company as Franchisee’s agent and attorney-in-fact for the purposes of (i) signing and delivering any transfer of service agreement or comparable document the telephone company requires to transfer the rights in the Numbers from Franchisee to the Company or its designee, and (ii) canceling and revoking any call-forwarding or similar instructions Franchisee has issued to the telephone company with respect to any of the Numbers, with full power to sign Franchisee’s name and otherwise to act in Franchisee’s name, place, and stead.

Franchisee agrees to reimburse the Company the full amount of any local service and long-distance charges the telephone company requires that the Company pay to obtain the Numbers, together with interest as provided in the Franchise Agreement for the Business.

Franchisee represents and warrants to the Company that Franchisee obtained the Numbers in his or her own name, and that Franchisee is the person of record the telephone company will recognize as registered user or “owner” of the Numbers.

FRANCHISEE:

[_____] ,
[_____]

By: _____

Print Name: [_____]

Title: _____

Date: _____

EXHIBIT I
STATE-SPECIFIC ADDENDA
TO FRANCHISE DISCLOSURE DOCUMENT
AND FRANCHISE AGREEMENT

The following modifications may supersede certain portions of the Franchise Agreement dated [_____].

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 (2004 Repl. Vol.)], 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-51], 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

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

Neither we, nor any person or franchise broker disclosed in Item 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling these persons from membership in this association or exchange.

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

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.

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.

The Franchise Agreement requires application of the laws of the State of Utah. This provision may not be enforceable under California law.

The following paragraph is added to ITEM 19 of the Franchise Disclosure Document:

The earnings claims figures do not reflect the costs of sales, operating expenses or other costs or expenses that must be deducted from the net sales or gross sales figure to obtain your net

income or net profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business. Franchisees or former franchisees listed in the Franchise Disclosure Document may be one source of this information.

Cookie Co.™'s Uniform Resource Locator ("URL") address for locating its internet website is: <http://www.costavida.com>. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF CORPORATIONS at www.corp.ca.gov.

THE CALIFORNIA SECTION OF THIS ADDENDUM APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF CALIFORNIA OR WHO LOCATE THEIR FRANCHISES IN CALIFORNIA.

HAWAII

1. The following list reflects the status of our franchise registrations in the states which have franchise registration and/or disclosure laws:

This renewal registration is not currently effective in any state.

This proposed registration is on file with or will shortly be on file with the States of Minnesota, North Dakota and South Dakota.

An Application/Notice of Exemption is on file or will shortly be on file with the States of California, Illinois, Indiana, New York and Washington.

There are no states which have revoked or suspended the right to offer these franchises.

2. The Franchise Agreement has been amended as follows:

The Hawaii Franchise Investment Law provides rights to the franchisee concerning non-renewal, termination and transfer of the Franchise Agreement. If the Franchise Agreement, and more specifically, Sections 2(C), 13, and 14 contain a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control.

Sections 2(C) and 13(C)(vii) of the Franchise Agreement require franchisee to sign a general release as a condition of renewal and transfer of the franchise; this release shall exclude claims arising under the Hawaii Franchise Investment Law.

Section 14A(ii) of the Franchise Agreement, which terminates the Franchise Agreement upon the bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et seq.).

3. The Receipt Pages are amended to add the following:

THIS FRANCHISE WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS BEFORE THE SIGNING BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS BEFORE THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT AND THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

THE HAWAII SECTION OF THIS ADDENDUM APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF HAWAII OR WHO LOCATE THEIR FRANCHISES IN HAWAII.

ILLINOIS

THE FRANCHISE AGREEMENT STATES THAT YOU MUST MEET CERTAIN MINIMUM PERFORMANCE SALES REQUIREMENTS. IF YOU DO NOT MEET THESE REQUIREMENTS YOUR FRANCHISE AGREEMENT CAN BE TERMINATED BY COOKIE CO.TM. This provision may be affected by Illinois Law, 815 ILCS §§ 705/4 and 705/41.

Item 17 of the Disclosure Document and Sections 2C and 14A of the Franchise Agreement are amended, if required by law, to state:

“The conditions under which your franchise can be terminated and your rights upon non-renewal may be affected by Illinois Law, 815 ILCS §§ 705/19 and 705/20.”

Item 17 of the Disclosure Document and Sections 17 and 18E of the Franchise Agreement and any other choice of law, venue and jurisdictions provisions in the Franchise Agreement are amended, if required by law, to include the following:

“Provisions regarding jurisdiction and venue and choice of law may be affected by Illinois law, 815 ILCS §§ 705/4 and 705/41, respectively.”

“Notwithstanding anything in this Agreement to the contrary, UNLESS GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.) OR OTHER FEDERAL LAW OR MATTERS ARISING UNDER SECTION 4 OF THE ILLINOIS FRANCHISE DISCLOSURE ACT WHICH SHALL BE GOVERNED THEREBY, THIS AGREEMENT, THE FRANCHISE AND THE RELATIONSHIP BETWEEN COMPANY AND FRANCHISEE SHALL BE GOVERNED BY THE LAWS OF THE STATE OF UTAH, EXCEPT THAT (A) THE UTAH BUSINESS OPPORTUNITY DISCLOSURE ACT AND ANY OTHER STATE LAW RELATING TO (1) THE OFFER AND SALE OF FRANCHISES, (2) FRANCHISE RELATIONSHIPS OR (3) BUSINESS OPPORTUNITIES, SHALL NOT APPLY UNLESS THE APPLICABLE JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS PARAGRAPH; and (B) THE

ENFORCEABILITY OF THOSE PROVISIONS OF THIS AGREEMENT WHICH RELATE TO RESTRICTIONS ON YOUR COMPETITIVE ACTIVITIES WILL BE GOVERNED BY THE LAWS OF THE STATE IN WHICH YOUR BUSINESS IS LOCATED.”

SPECIFICALLY, PROVISIONS REGARDING JURISDICTION AND VENUE AND CHOICE OF LAW MAY BE AFFECTED BY ILLINOIS LAW, 815 ILCS §§ 705/4 AND 705/41, RESPECTIVELY, AND RULE SECTION 200.608 OF THE RULES AND REGULATIONS PROMULGATED PURSUANT TO THE ILLINOIS FRANCHISE DISCLOSURE ACT.”

No provision in the Disclosure Document or Franchise Agreement shall be construed to mean that you may not rely on representations in the Cookie Co.TM Disclosure Document that we provided to you in connection with the offer and purchase of your franchise.

Section 41 of the Illinois Franchise Disclosure Act states that “any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act is void.”

THE ILLINOIS SECTION OF THIS ADDENDUM APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF ILLINOIS OR WHO LOCATE THEIR FRANCHISES IN ILLINOIS.

MARYLAND

The Disclosure Document is amended to state:

“Cookie Co.TM has not registered the trademark, servicemark/logo in the State of Maryland. You must register the name “Cookie Co.TM Association” as a dba for the entity operating the franchise in the state where the franchise marketing area is located.”

Item 17 of the Disclosure Document and Sections 2(C)(ii) and 13(C)(vii) of the Franchise Agreement are amended to state:

“Any release signed in connection with the Franchise Agreement is not intended to, nor shall it act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.”

The Disclosure Document and Sections 17 and 18(E) of the Franchise Agreement are amended to state:

“Notwithstanding anything in this Agreement to the contrary, UNLESS GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.) OR OTHER FEDERAL LAW OR MATTERS ARISING UNDER THE MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW WHICH SHALL BE GOVERNED THEREBY, THIS AGREEMENT AND THE RELATIONSHIP BETWEEN YOU AND US WILL BE GOVERNED BY THE LAWS OF THE STATE OF UTAH, EXCEPT THAT THE UTAH BUSINESS OPPORTUNITY DISCLOSURE ACT AND ANY OTHER STATE LAW RELATING TO (1) THE OFFER AND SALE OF FRANCHISES, (2) FRANCHISE RELATIONSHIPS, OR (3) BUSINESS OPPORTUNITIES, WILL NOT APPLY UNLESS THE APPLICABLE JURISDICTIONAL

REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS PARAGRAPH. YOU MAY BRING A LAWSUIT IN MARYLAND FOR CLAIMS ARISING UNDER THE MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW.”

“Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of your franchise.”

“Any limitation of claims provisions shall not act to reduce the three year statute of limitations afforded a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law.”

The Disclosure Document and Franchise Agreement are amended as follows:

“Any provision in the Franchise Agreement restricting jurisdiction or venue to a forum outside of Maryland or requiring the application of the laws of another state is void with respect to a claim arising under the Maryland Franchise Registration and Disclosure Law.”

“Any claims under the Maryland Franchise Registration and Disclosure law may be brought in the State of Maryland.”

“Pursuant to COMAR 02.02.0816L, the general release required as a condition of renewal, sale and/or assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.”

“Any provision in the Disclosure Document or Franchise Agreement or the agreements attached as appendices that requires you to disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Maryland Franchise Registration and Disclosure Law is not intended to nor will it act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.”

“Your acknowledgement and representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.”

THE MARYLAND SECTION OF THIS ADDENDUM APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MARYLAND OR WHO LOCATE THEIR FRANCHISES IN MARYLAND.

MICHIGAN

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.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (a) A prohibition on your right to join an association of franchisees.

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

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

(d) A provision that permits us to refuse to renew your franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to us and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applied only if: (i) the term of the franchise is less than 5 years and (ii) you are 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 you do not receive at least 6 months advance notice of our intent not to renew the franchise.

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

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

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

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

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

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

(iv) You or your proposed transferee's failure to pay any sums owing to us or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

(h) A provision that requires you to resell to us items that are not uniquely identified with us. This subdivision does not prohibit a provision that grants to us 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 us the right to acquire the assets of a franchise for the market or appraised value of these assets if you have breached the lawful provisions of the Franchise Agreement and have failed to cure the breach in the manner provided in subdivision (c).

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

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.

ESCROW REQUIREMENTS (IF ANY): _____

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
Consumer Protection Division
Attn: Franchise
670 Law Building
Lansing, Michigan 48913
Telephone Number: (517) 373-7117

THE MICHIGAN SECTION OF THIS ADDENDUM APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR WHO LOCATE THEIR FRANCHISES IN MICHIGAN.

MINNESOTA

If required by law, the Disclosure Document, Franchise Agreement, and Area Development Agreement are modified as follows:

Any release signed in connection with the Franchise Agreement shall not apply to any claims arising under Minnesota Statutes 1973 Supplement, Sections 80C.01 to 80C.22, providing that a franchisee cannot be required to assent to a release, assignment, or waiver that would relieve any person from liability imposed by such statutes; provided, however that this shall not bar the voluntary settlement of disputes.

With respect to the franchises governed by Minnesota law, we will comply with Minnesota Statutes Sec. 80C.14, subdivisions 3, 4 and 5 which require, except in certain specific cases, that we give you 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement. If Franchisor fails to give notice, the Franchise Agreement shall remain in effect from month to month until Franchisor has given the required notice.

Minnesota Statutes Sec. 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to a jury trial or any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Minnesota Rule 2860.4400J also prohibits us from asking you to consent to the Franchisor obtaining injunctive relief. We may merely seek injunctive relief. Also, it is up to a court to determine if a bond is required.

Provided that you are in compliance with the terms and conditions of the Franchise Agreement, we will comply with Minnesota Statutes Sec. 80C.12, Subd.1(g) which requires that the franchisor protect the franchisee's right to use the trademarks, service marks, tradenames, logotypes or other commercial symbols and/or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

We will also comply with the requirements of Minnesota Statutes Sec. 80C.17, Subd. 5, which requires that any action commenced under Section 80C.17 be commenced within 3 years after the cause of action accrues.

THE MINNESOTA SECTION OF THIS ADDENDUM APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MINNESOTA OR WHO LOCATE THEIR FRANCHISES IN MINNESOTA.

NEW YORK

The cover page of the Disclosure Document will be supplemented with the following, inserted at the bottom of the cover page:

REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT THE STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE NEW YORK STATE DEPARTMENT OF LAW, 120 BROADWAY, NEW YORK, NEW YORK 10271-0332. INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION.

WE MAY, IF WE CHOOSE, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. HOWEVER, WE CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON YOU TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS.

As a supplement to the information disclosed in this Disclosure Document, the following additional paragraphs are added:

1. Except as disclosed in Item 3 of the Disclosure Document, neither we, our predecessors, Affiliates or any person identified in Item 2 of this Disclosure Document:

A. Has any administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) pending against it or him alleging a violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property or comparable allegations.

B. Has been convicted of a felony or pleaded nolo contendere to a felony charge or within the ten year period immediately preceding the application for registration, been convicted of a misdemeanor or pleaded nolo contendere to a misdemeanor charge or been held liable in a civil action by final judgment or been the subject of a material complaint or other legal proceeding if such misdemeanor conviction or charge

Exhibit C

or civil action, complaint or other legal proceeding involved violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property or comparable allegations.

C. Is subject to any currently effective injunctive or restrictive order or decree relating to franchises or under any federal, state, or Canadian franchise, securities, antitrust, trade regulation, trade practice law, or any national securities association or national securities exchange (as defined in the Securities and Exchange Act of 1934) suspending or expelling this person from membership in this association or exchange as a result of a concluded or pending action or proceeding brought by a public agency.

2. Except as disclosed in Item 4 of the Disclosure Document, during the ten year period immediately preceding the date of this Disclosure Document, neither we, our predecessors, Affiliates or any person identified in Item 2 of this Disclosure Document has been adjudged bankrupt or reorganized due to insolvency or been a principal officer of any company or a general partner in any partnership at or within 1 year of the time that this company or partnership was adjudged bankrupt or reorganized due to insolvency or is otherwise subject to any pending bankruptcy or reorganization proceeding.

3. You will not be required to indemnify us for any claims arising out of a breach of the Franchise Agreement by us or other civil wrongs committed by us.

4. We will not assign any of our rights under the Franchise Agreement except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under the Franchise Agreement.

5. Any release signed in connection with the Franchise Agreement is subject to the proviso that all rights enjoyed by you and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of Sections 687.4 and 687.5 of the General Business Law of New York State be satisfied.

6. You may terminate the Franchise Agreement and any ancillary agreements upon any other grounds available by law.

7. The summary in Items 17.w. Choice of Law, is amended to state the following:

Utah law applies unless governed by applicable federal law. The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon Franchisee by the General Business Law of the State of New York.

The following modifications are made to the Franchise Agreement:

1. The following sentence is added to the end of Section 4(E): “Franchisor will make no changes to the Operations Manual that would impose an unreasonable economic burden on Franchisee or unreasonably increase Franchisee’s obligations.”

2. Section 13A is amended by adding the following to the end of that Section: “However, Franchisor will make no transfer or assignment except to a transferee or an assignee who, in our good faith judgment, is willing and able to assume Franchisor’s obligations under this Agreement.”

3. The following is added at the end of Sections 2(C)(ii) and 13(C)(vii): “; provided, however, that any release shall not apply to any claims arising under the provisions of Article 33 of the General Business Law of the State of New York.”

4. The following is added to the end of the first sentence of Section 16(B): “Notwithstanding the foregoing, Franchisee will not be required to indemnify Franchisor for any claims arising out of a breach of the Agreement by us or other civil wrongs of us.”

5. The following is added to the end of Section 18(F): “Franchisor will seek no issuance of injunctive relief which would violate New York General Business Law Section 687.5.

6. The following sentence is added to the end of Sections 17 and 18(E) of the Franchise Agreement, and to and any other choice of law provisions appearing in any related documents attached as exhibits or appendices to the Franchise Agreement that are deemed to be in violation of New York law: “The choice of law provisions in this Section should not be considered a waiver of any right conferred upon Franchisor or upon the Franchisee by Article 33 of the General Business Law of the State of New York.”

THE NEW YORK SECTION OF THIS ADDENDUM APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF NEW YORK OR WHO LOCATE THEIR FRANCHISES IN NEW YORK.

NORTH DAKOTA

Sections of the Disclosure Document and Franchise Agreement providing for resolution of disputes to be outside North Dakota may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly if required by law.

Sections of the Disclosure Document and Franchise Agreement relating to choice of law, may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly if required by law.

Sections of the Disclosure Document and Franchise Agreement requiring you to sign a general release upon renewal of the Franchise Agreement may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly if required by law.

Sections of the Disclosure Document and Franchise Agreement stipulating that you shall pay all costs and expenses incurred by us in enforcing the Franchise Agreement may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly if required by law.

Sections of the Franchise Agreement requiring you to consent to a waiver of trial by jury may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended if required by law.

Sections of the Franchise Agreement requiring you to consent to a waiver of exemplary and punitive damages may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended if required by law.

THE NORTH DAKOTA SECTION OF THIS ADDENDUM APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF NORTH DAKOTA OR WHO LOCATE THEIR FRANCHISES IN NORTH DAKOTA.

RHODE ISLAND

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of

another state is void with respect to a claim otherwise enforceable under this Act.” The Disclosure Document and Franchise Agreement are amended accordingly if required by law.

THE RHODE ISLAND SECTION OF THIS ADDENDUM APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF RHODE ISLAND OR WHO LOCATE THEIR FRANCHISES IN RHODE ISLAND.

VIRGINIA

Pursuant to § 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute “reasonable cause”, as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

THE VIRGINIA SECTION OF THIS ADDENDUM APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF VIRGINIA OR WHO LOCATE THEIR FRANCHISES IN VIRGINIA.

WASHINGTON

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

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

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee’s earnings from the party seeking enforcement, when annualized, exceed

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

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____ 20_____.

FRANCHISOR

FRANCHISEE

THE WASHINGTON SECTION OF THIS ADDENDUM APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF WASHINGTON OR WHO LOCATE THEIR FRANCHISES IN WASHINGTON.

WISCONSIN

Item 17 of the Disclosure Document is amended to add the following:

The Wisconsin Fair Dealership Law Title XIV-A Ch. 135, Section 135.01-135.07 may affect the termination provision of the Franchise Agreement.

THE WISCONSIN SECTION OF THIS ADDENDUM APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF WISCONSIN OR WHO LOCATE THEIR FRANCHISES IN WISCONSIN.

< Signatures on following page >

ACKNOWLEDGMENT:

It is agreed that the applicable foregoing state law addendum, if any, supersedes any inconsistent portion of the Franchise Agreement dated [_____], and of the Franchise Disclosure Document. Except in the State of Maryland, this State Addenda applies only if required by applicable state law.

FRANCHISOR:

Cookie Co. Franchising, LLC,
a Utah limited liability company

By:

Print Name:

[_____]

Title: President and CEO

FRANCHISEE:

[_____

],

[_____

]

By: _____

Print Name:

[_____

]

Title: _____

OWNERS/MANAGERS:

By: _____

Print Name: [_____]

By: _____

Print Name: [_____]

By: _____

Print Name: [_____]

DATED [_____].

(MUST BE SIGNED BY ALL OWNERS AND MANAGERS OF AN ENTITY FRANCHISEE)

EXHIBIT D

COOKIE CO.™ AREA DEVELOPMENT AGREEMENT

Cookie Co.™ Area Development Agreement

Cookie Co. Franchising, LLC
a Utah limited liability company

2278 North 300 East

Lehi, Utah 84043

(970) 381-2472

franchising@officialcookieco.com

www.officialcookieco.com



Cookie Co.™ Area Development Agreement

[AREA DEVELOPER NAME]

Area Developer

[DEVELOPMENT AREA]

Location

[EFFECTIVE DATE]

Date of Agreement

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EXHIBIT A – DEVELOPMENT AREA AND SCHEDULE

EXHIBIT A-1 – DEVELOPMENT AREA MAP

EXHIBIT B – OWNERSHIP ADDENDUM

EXHIBIT C – GUARANTY

EXHIBIT D – INVESTOR PERSONAL COVENANTS REGARDING CONFIDENTIALITY AND NON-COMPETITION

EXHIBIT E – STATE SPECIFIC ADDENDA

**COOKIE CO.™ FRANCHISING, LLC
AREA DEVELOPMENT AGREEMENT**

This Area Development Agreement (the “*Agreement*”) is made and entered into as of **[EFFECTIVE DATE]**, by and between Cookie Co.™ Franchising, LLC, a Utah limited liability company, with its principal place of business at 2278 North 300 East, Lehi, Utah 84043 (“*we*”, “*us*”, the “*Company*” or “*Franchisor*”) and **[AREA DEVELOPER NAME]**, (“*you*” or “*Area Developer*”), **[AREA DEVELOPER ENTITY TYPE]**, whose principal address is **[AREA DEVELOPER ADDRESS]**. The Company and Area Developer may sometimes collectively be referred to in this Agreement as the “*Parties*” or each individually as a “*Party*.”

1. INTRODUCTION

A. COOKIE CO.™ BUSINESSES.

We own, operate, and franchise Cookie Co.™ Businesses, specializing in the retail sale of Cookie Co.™ branded cookies and other baked and snack food products, and other menu items and merchandise related to the Cookie Co.™ concept as we may periodically authorize. We, or our Affiliates, have developed and own a comprehensive system for developing and operating Cookie Co.™ Businesses, which includes trademarks, building designs and sample layouts, equipment, ingredients, specifications, and recipes for authorized food products, methods of inventory control, training programs and certain operational and business standards and policies, all of which we may improve, further develop or otherwise modify (the “*System*” or the “*Cookie Co.™ System*”).

B. YOUR ACKNOWLEDGEMENTS.

You have read and understood this Agreement, our Franchise Disclosure Document, and related agreements, if any. You acknowledge that you have had ample time and opportunity to consult advisors of your own choosing about the potential benefits and risks of entering into this Agreement. By signing this Agreement, you understand that the Cookie Co.™ concept offers a high-quality fast-casual dining experience. You accept the proposition that to deliver that experience requires a different approach to the quality of food products, level of design and environment and customer experience (impacted by the quality of people and training) not typically found in quick-service food establishments. You understand the terms, conditions, and covenants of this Agreement and accept them as being reasonably necessary to maintain the uniformity of our high-quality standards at all Cookie Co.™ Businesses and to protect and preserve the goodwill of the Marks and the integrity of the System Standards. You have conducted an independent investigation of the business contemplated by this Agreement and recognize that the restaurant industry is highly competitive, with constantly changing market conditions and consumer tastes. You recognize that the nature of Cookie Co.™ Businesses may change over time, that an investment in Cookie Co.™ Business involves business risks and that the success of the venture is largely dependent on your own business abilities, efforts, and financial resources.

We expressly disclaim the making of, and you acknowledge that you have not received or relied upon, any representation, guaranty, or warranty express or implied, as to the sales volume, income, earnings, expenses, revenues, profits or success of Cookie Co.™ Businesses or the business venture contemplated by this Agreement or the extent to which we will continue to develop and expand the Cookie Co.™ network of Businesses. You further acknowledge that you have not received or relied on any representations about the franchise, the Franchisor, or its franchising program or policies from us or our officers, directors, employees, or agents that are contrary to the statements made in our Franchise Disclosure Document or the terms of this Agreement. Any information acquired by you from other Cookie Co.™ franchisees relating to sales, income, earnings, expenses, revenues, profits or success of any such franchised Cookie Co.™ restaurants does not

constitute information obtained from us, nor do we make any representation as to the accuracy of any such information. You acknowledge and agree that Cookie Co.™'s officers, directors, employees, and agents act only in a representative, and not in a personal, capacity in connection with any of our dealings with you.

C. YOUR REPRESENTATIONS.

You and your Owners jointly and severally represent and warrant to us that: (1) neither you nor any of your Owners has made any untrue statement of any material fact or has omitted to state any material fact in the ADA Application, Personal Profile, or any other written information you have submitted in obtaining the rights granted hereunder; (2) neither you nor any of your Owners has any direct or indirect legal or beneficial interest in any business that may be deemed a Competitive Business, except as you have otherwise completely and accurately disclosed in writing to us in connection with obtaining the rights granted hereunder; and (3) the signing and performance of this Agreement will not violate any other agreement to which you or any of your Owners may be bound. You recognize that we have signed this Agreement in reliance on all of the statements, including the ADA Application and the Personal Profile, you and your Owners have made in writing in connection with this Agreement.

D. CERTAIN DEFINITIONS.

The terms listed below have the meanings which follow them and include the plural as well as the singular. Other terms are defined elsewhere in this Agreement in the context in which they arise.

“ADA Application” – The area development agreement application submitted to us by you and your Owners.

“Affiliate” – Any person or entity that directly or indirectly owns or controls the referenced party, that is directly or indirectly owned or controlled by the referenced party, or that is under common control with the referenced party. The term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities, by contract or otherwise.

“Confidential Information” – Our proprietary and confidential information relating to the development and operation of Cookie Co.™ Businesses, including: (1) Operations Manual, Training Program Manual, and other manuals given to you, your Owners and business partners, and your Business Personnel; (2) ingredients, recipes, and methods of preparation and presentation of authorized food and products; (3) site selection criteria for Cookie Co.™ Businesses and plans and specifications for the development of Cookie Co.™ Businesses; (4) sales, marketing, and advertising programs and techniques for Cookie Co.™ Businesses; (5) identity of suppliers and knowledge of specifications, processes, procedures, and equipment, and pricing of authorized food products, materials, supplies, and equipment; (6) knowledge of operating results and financial performance of Cookie Co.™ Businesses, other than Cookie Co.™ Businesses you own; (7) methods of inventory control, storage, product handling, training and management relating to Cookie Co.™ Businesses; (8) computer systems and software programs used or useful in Cookie Co.™ Businesses including, without limitation, mobile applications and loyalty programs; and (9) any and all other information that we provide you that is labeled or considered proprietary or confidential or which would generally be regarded as confidential in the industry.

“Cookie Co.™ Business” or **“Business”** – A Business featuring the retail sale of freshly baked cookies and other baked goods or food products, or any other outlet selling any Cookie Co.™ Products for on- or off-premises consumption and services, all as designated by us and developed and operated with our approval and consent, which we, or any of our Affiliates, own, operate or franchise and which uses the Marks and the System.

“Franchise Agreement” – An agreement by and between us and a franchisee and its Owners that grants such franchisee a non-exclusive right to operate a Cookie Co.™ Business at a particular location and to use the Marks in the operation of such Business.

“Investor” – Each person or entity, other than the Operating Partner, that has a direct or indirect legal or beneficial ownership interest amounting to less than 10% of all ownership interests in you, if you are an entity. An Investor is not an Owner where such term is capitalized in this Agreement.

“Marks” – The trademarks, trade names, service marks, logos and other commercial symbols which we authorize you to use to identify Cookie Co.™ Products and/or services offered by Cookie Co.™ Businesses, including the trademarks and service marks COOKIE CO.™ and the Trade Dress and the goodwill associated therewith; provided that we have the right to modify and/or discontinue the use of these trademarks, trade names, service marks, logos and other commercial symbols and the Trade Dress, and establish, in the future, additional or substitute trademarks, trade names, service marks, logos, commercial symbols or Trade Dress, all of which modifications, additions and substitutions shall immediately upon their use be deemed included within this definition.

“Operating Partner” – The individual designated in Exhibit B hereto and any replacement thereof approved by us.

“Owner” – Each of your Operating Partner and each entity or person owning directly or beneficially 10% or more of the ownership interests in you. If any Owner within the scope of this definition is itself an entity (including an Owner that is an Owner because of this sentence), the term “Owner” also includes Owners (as defined in the preceding sentence) in such entity. It is the intent of this definition to “trace back” and include within the definition of Owner all natural persons owning the requisite interests to qualify as Owners.

“Personal Profile” – The personal, financial, business, and other information relating to you and your Owners set forth in our personal profile forms which you and your Owners have completed and submitted to us before or together with the ADA Application.

“Personnel” – All persons employed by you in connection with the development, management, or operation of your Businesses, including persons in general/district management positions for your Cookie Co.™ Businesses, general managers, assistant managers, team trainers, shift supervisors, hourly associates, and all other persons who work in or for any of your Businesses.

“System Standards” – The business methods, designs, and arrangements for developing and operating Cookie Co.™ Businesses, which include the Marks, building design and layouts, equipment, ingredients, recipes, methods of preparation and specifications for authorized food products, training, methods of inventory control and certain operating and business standards and policies, all of which we may periodically improve, further develop or otherwise modify.

“Your Business” – A Cookie Co.™ Business operated by you under a Franchise Agreement.

2. DEVELOPMENT RIGHTS.

A. TERM AND DEVELOPMENT FEE.

Unless sooner terminated in accordance with Section 9 below, the term of this Agreement (the **“Term”**) starts on the date hereof and expires on the earlier of the expiration date set forth in Exhibit A or the date upon which Area Developer opens for operation the cumulative number of Cookie Co.™ Businesses in the Development Area (as such term is defined in Section 2.B below) set forth in Exhibit A, unless earlier

terminated pursuant to the terms of this Agreement. You have no right to renew or extend your rights under this Agreement. At the time you sign this Agreement, you must pay to us the nonrefundable Development Fee set forth in Exhibit A (the “**Development Fee**”). Any deposit we may require you to pay to us in connection with the ADA Application for the rights granted hereunder will be credited against the Development Fee.

B. DEVELOPMENT RIGHTS.

During the Term and provided you and your Affiliates are in compliance with this Agreement and all other agreements with us or any of our Affiliates (including Franchise Agreements signed pursuant to this Agreement), we will: (1) grant to you, in accordance with Section 3 below, that cumulative number of franchises for Cookie Co.TM Businesses set forth in Exhibit A, all of which are to be located within the geographic area described in Exhibit A (the “**Development Area**”); and (2) not operate (directly or through an Affiliate), nor grant the right to operate, any Cookie Co.TM Business located within the Development Area, except for: (i) franchises granted pursuant to this Agreement; (ii) Cookie Co.TM Businesses open (or under commitment to open) as of the date hereof; (iii) Cookie Co.TM Businesses or other retail food establishments using any part or all of the System Standards and/or Marks that are: (A) located within retail outlets, restaurants, grocery stores, supermarkets, and other channels of distribution (including wholesale distribution of food products or merchandise to restaurants, supermarkets, grocery stores, caterers, Internet, catalogs, and other outlets); (B) located at transportation facilities (such as airport facilities, inter-metropolitan train and/or bus stations, turnpikes, or other limited access highway rest stops), colleges, universities, sports arenas and entertainment facilities, where any of these locations or its food operations are controlled by a third party or in our judgment should be operated by a third party (collectively “Special Locations”); or (C) retail food establishments (including other non-Cookie Co.TM restaurants) that we purchase (or as to which we purchase the rights as franchisor) that are part of another franchise system or chain, regardless whether any or all of them are converted to use any or all of the Marks and/or System Standards or continue to be operated independently. Notwithstanding any other term or condition of this Agreement to the contrary, you are not granted the right to develop a Cookie Co.TM Business within one (1) mile of another Cookie Co.TM Business (which is either open or operating or has been approved by us for development).

C. DEVELOPMENT OBLIGATIONS.

You must have open and operating in the Development Area, in accordance with and pursuant to signed Franchise Agreements, that cumulative number of Cookie Co.TM Businesses set forth in Exhibit A by the corresponding dates set forth therein (“**Development Schedule**”). Time is of the essence in this Agreement, and any requests by you to extend the Development Schedule may be granted or denied by us for any reason or no reason. Your failure to develop and operate Cookie Co.TM Businesses in accordance with the Development Schedule is a material breach of this Agreement for which we have the right to exercise any and all rights and remedies conferred under this Agreement and applicable law, including the right, in our sole discretion, to: (1) terminate this Agreement pursuant to Section 9.B below without prejudice to our recovery of damages; or (2) require you to pay to us (i) on demand, a fee equal to the initial franchise fees that would have been due under the franchise agreements you would have entered into if you had complied with the Development Schedule (the “**Development Deficiency Initial Fee**”) for each Cookie Co.TM Business that you have so failed to open; and (ii) from and after this breach (until the failure to meet the Development Schedule is cured) an amount equal to the average royalties received by us from all Cookie Co.TM Businesses for each Cookie Co.TM Business that you have so failed to open (the “**Development Deficiency Royalty Fees**”), all of which amounts (inclusive of the Development Deficiency Initial Fee and the Development Deficiency Royalty Fees) represent liquidated damages. Such damages are difficult to calculate with certainty, but the foregoing represents a reasonable estimate of the damages we will incur as a result of your failure to comply with the Development Schedule. The Development Deficiency Initial Fees and the Development Deficiency Royalty Fees are not refundable under any circumstances, provided the Development Deficiency Initial Fees shall be creditable against the initial franchise fees payable under Franchise Agreements signed pursuant to this Agreement. This Section 2.C shall survive the expiration or

termination of this Agreement and shall continue in full force and effect until satisfied in full or by its nature expires.

D. OUR RESERVATION OF RIGHTS.

Except as otherwise expressly provided in this Agreement, we and all of our Affiliates (and our respective successors and assigns, by purchase, merger, consolidation, or otherwise) retain all of our rights and discretion with respect to the Marks, the System Standards, and Cookie Co.™ Businesses anywhere in the world, and the right to engage in any business whatsoever, including the right to: (1) operate, and grant to others the right to operate, Cookie Co.™ Businesses at these locations and on these terms and conditions as deemed appropriate (which Businesses you acknowledge may be in direct competition with your Businesses, without regard to any adverse effects of these activities on your Businesses and without any obligation or liability to you); (2) sell any products or services under any tradenames, trademarks, service marks or trade dress, including the Marks, through other channels of distribution (including, wholesale distribution of food products and merchandise to restaurants, supermarkets, grocery stores, caterers, Internet, catalogs, and other outlets); and (3) operate, and grant to others the right to operate, retail food establishments (including other non-Cookie Co.™ restaurants) identified by tradenames, trademarks, service marks or trade dress, other than the Marks, pursuant to these terms and conditions as we deem appropriate. You acknowledge and agree that, except as expressly provided to the contrary in Section 2.B above, your rights hereunder shall be non-exclusive. You waive, to the fullest extent permitted under law, all claims, demands or causes of action arising from or related to any of the foregoing activities by us or any of our Affiliates.

E. DEVELOPMENT OF TARGET SITES.

(i) If during the Term, we locate a site within the Development Area at which a Cookie Co.™ Business is not then operated but which, in our judgment, is suitable for a Cookie Co.™ Business (a “*Target Site*”), we will, as soon as is practicable after the site is identified (taking into consideration any applicable contractual or legal prohibitions or limitations), notify you in writing of the Target Site if we intend that the Target Site be developed and operated as a Cookie Co.™ Business. Within 10 days after your receipt of our notice regarding the Target Site (including any relevant site-related materials in our possession), you will notify us if you desire to develop and operate a Cookie Co.™ Business at the Target Site described in the notice.

(ii) If you timely notify us in writing that you desire to develop and operate a Cookie Co.™ Business at the Target Site and we have fully negotiated a lease or purchase agreement for the Target Site, then you will (1) obtain the consent of the landlord to execute and will execute the lease or an assignment and assumption of lease, if applicable, or obtain the consent of the seller to execute and will execute a purchase agreement or an assignment and assumption of purchase agreement, if applicable; (2) execute a Franchise Agreement and such ancillary documents as are then customarily used by us in the grant of franchises for Cookie Co.™ Business, as modified for use in connection with the Target Site (the “*Franchise Documents*”), and pay the fees, including the initial franchise fee, that we are then charging for new Cookie Co.™ franchises; (3) pay us a site location and negotiation fee plus our reasonable out-of-pocket expenses incurred in locating the Target Site and negotiating the lease or purchase agreement; and (4) sign an agreement indemnifying us and holding us harmless for any and all obligations under the lease as of the date of assignment, all within 10 days after our delivery to you of the lease or purchase agreement, as the case may be, and the Franchise Documents. We will fully cooperate with you in obtaining the landlord's consent to your execution of the lease or the seller's consent to your execution of the purchase agreement or assignment of purchase agreement, as the case may be.

(iii) If you timely notify us in writing that you desire to develop and operate a Cookie Co.™ Business at the Target Site and we have not fully negotiated a lease or purchase agreement for the Target Site, then you will have 30 days in which to negotiate and deliver to us a lease or purchase agreement for the Target Site in form for execution. If we disapprove the lease or purchase agreement for failure to meet

our requirements, you will have 10 days within which to negotiate and deliver to us a revised lease or purchase agreement for the Target Site in form for execution. If we approve the lease or the purchase agreement for the Target Site, then you will (1) execute the lease or purchase agreement, as applicable; (2) execute the Franchise Documents and pay the fees, including the initial franchise fee that we are then charging for new Cookie Co.™ franchises; and (3) pay to us a site location fee plus our reasonable out-of-pocket expenses in locating the Target Site and, to the extent applicable, partially negotiating the lease or purchase agreement, all within 10 days after our delivery of the Franchise Documents to you.

(iv) If you (1) decline the option to develop a Target Site, (2) fail to timely notify us of your election to develop a Target Site, or (3) fail to timely execute the approved lease or purchase agreement and Franchise Documents for a Target Site and pay the applicable fees as provided above, then we or one of our Affiliates may develop and operate a Cookie Co.™ Business at the Target Site or grant a franchise to a third party to develop and operate a Cookie Co.™ Business at the Target Site. Any Target Site developed by us, one of our Affiliates, or a third-party franchisee will not count towards the Development Schedule and may therefore put you in material breach and default of this agreement.

(v) Any Target Site for which you execute the Franchise Documents and develop and open a Cookie Co.™ Business will count towards the Development Schedule.

(vi) For the avoidance of doubt, we are not required to give notice to you or to offer you a franchise to develop a Cookie Co.™ Business with regard to any Target Site or Conversion Site (defined below) within the Development Area and may develop and open (or franchise others to develop and operate) a Cookie Co.™ Business at the Target Site or Conversion Site after the Term of this Agreement expires as provided in Section 2.A above.

F. CONVERSION SITES.

(i) If during the Term, we acquire the shares or assets (which may include furniture, fixtures, equipment, leasehold improvements and/or leasehold interests) of any business operating retail outlets at one or more sites located within the Development Area which meets our specifications and standards for conversion to Cookie Co.™ Businesses (in each case a “*Conversion Site*”), and we determine in our sole discretion to convert any Conversion Sites within your Development Area to Cookie Co.™ Businesses, we will offer to sell such Conversion Sites to you for the price paid by us for such Conversion Sites if:

(A) The sale will not, in our judgment, conflict with any existing legal obligation of us or the business being acquired;

(B) The sale will not, in our judgment, preclude the completion of the acquisition on the terms agreed to by us and the seller;

(C) The sale will not, in our judgment, interfere with any other legal agreement, arrangement or combination or affect federal or state income tax consequences arising from the acquisition in a manner adverse to any of the parties to the acquisition;

(D) You agree, at our option, to include in your purchase (at a price determined on the same basis as for Conversion Sites) certain acquired stores which fall within the Development Area but which do not meet our criteria for conversion to Cookie Co.™ Businesses and which may have to be closed or sold to a third party subsequent to your acquisition; and

(E) You agree to (i) execute, concurrently with your purchase, the appropriate Franchise Documents and pay the fees, including the initial franchise fee, that we are then charging for new Cookie Co.™ Businesses franchises, for each Conversion Site in the Development Area, (ii) convert each Conversion Site to a Cookie Co.™ Business as soon as practicable thereafter (but in no

event later than the date reasonably specified by us) in accordance with our standards and specifications, and (iii) close or sell, within the reasonable time period specified by us, any acquired sites which are not suitable for conversion.

(ii) The price to be paid by you for the Conversion Sites will include that portion of the direct and indirect costs and liabilities that would be incurred or assumed by us in making the acquisition and allocated to the Conversion Sites whether paid or owed to the seller of the Conversion Sites, an Affiliate or third parties and other expenses allocated or otherwise related to the Conversion Sites (including losses, whether from continuing operations or closing acquired units) plus interest at our cost of money on the balance of such amounts from time to time.

(iii) You will have 30 days after receipt of our offer in which to accept or reject the offer by written notice to us. If accepted, you will have 30 days from the date of acceptance within which to complete the acquisition.

(iv) If you reject or fail to timely accept our offer to sell you the Conversion Sites within the Development Area or we are unable to extend such offer to you for any of the reasons stated above, you agree that we can acquire the Conversion Sites and operate (or franchise others to operate) those sites as Cookie Co.TM Businesses or other Cookie Co.TM outlets.

(v) Any Conversion Sites for which you execute the Franchise Documents and develop and open a Cookie Co.TM Business will count towards your Development Schedule

(vi) For purposes of this Section 2.F, all references to us include our Affiliates.

3. GRANT OF FRANCHISES.

A. SITE SELECTION ASSISTANCE.

We may furnish you with our standard site selection criteria and assistance for Cookie Co.TM Businesses as we may periodically establish. We may also provide such on-site evaluation of sites as we deem necessary or appropriate. If we deem it necessary to provide an on-site evaluation of the proposed site, you must coordinate and arrange for the visit by our representative or agent, and you may be required to pay our related travel expenses.

B. SITE EVALUATION AND APPROVAL.

We will approve sites for the cumulative number of Cookie Co.TM Businesses set forth in Exhibit A located within the Development Area in accordance with the following provisions:

(i) You must complete and submit to us, in accordance with procedures we periodically establish, a complete site proposal (the “*Site Proposal Package*”), containing demographic information, traffic patterns, access, visibility, location of other retail food establishments (including other Cookie Co.TM Businesses) and size, condition, configuration, appearance and other physical characteristics of the site and all other information that we reasonably require for each site for a Cookie Co.TM Business that you propose to develop and operate and that you in good faith believe to conform to our then-current standard selection criteria for Cookie Co.TM Businesses;

(ii) We will approve or reject each site for which you submit to us a complete Site Proposal Package in accordance with subparagraph (i) above and, if we approve the site, we will do so by delivering our standard Site Approval Letter. Our Site Approval Letter, duly signed by us, is the exclusive means by which we approve a proposed site, and no other direct or indirect representation, approval or acceptance, whether in writing or verbally, by any of our officers, employees or agents, shall be effective or bind us.

We will use all reasonable efforts to make a site approval decision and, if the site is approved, deliver a Site Approval Letter to you within 30 days after we receive the complete Site Proposal Package and any other materials we have requested. In deciding whether to approve or reject a site you propose, we may consider such factors as we, in our sole discretion, deem appropriate, including the general location and neighborhood, demographic information, traffic patterns, access, visibility, location of other retail food establishments (including other Cookie Co.™ Businesses) and size, condition, configuration, appearance and other physical characteristics of the site. Neither our approval of a proposed site, nor any information communicated to you regarding our standard site selection criteria or the proposed site, constitutes a warranty or representation of any kind, express or implied, as to the suitability of the proposed site, but merely signifies that we are willing to grant a franchise for a Cookie Co.™ Business at that location in accordance with the terms of this Agreement. You acknowledge that your decision to develop and operate a Cookie Co.™ Business at any site is based solely on your own independent investigation of the suitability of the site for a Cookie Co.™ Business. In consideration of our approval of a proposed site, you and your Owners agree to release us, and our Affiliates, shareholders, members, officers, directors, employees, agents, successors and assigns from any and all loss, damages and liability arising from or in connection with the selection and/or approval of such site for the development of a Cookie Co.™ Business.

(iii) If you, one of your Owners, or one of your Affiliates at any time owns the site, you must immediately notify us and we may require that you or such Owner or Affiliate (1) enter into an agreement with us in recordable form granting us the right and option, in the event of a termination (for whatsoever reason) of the Franchise Agreement, to lease the Premises at fair market rental rates for a term coterminous with the term of the Franchise Agreement for the site; or (2) enter into a prime lease with us at fair market rental rates for a term coterminous with the term of the Franchise Agreement for the site and a sublease with us on the same terms as the prime lease. The prime lease and sublease referenced in the preceding sentence shall be on the then-current lease and the sublease forms used by us.

(iv) If the lease for your Business expires or is terminated before the end of the term of the applicable Franchise Agreement, you may move your Business to another location chosen in accordance with the site evaluation and approval process set forth in this Section 3.B. The new location (a) must be in the original Business's Protected Area, as determined by us, and (b) may in no case infringe upon a franchise agreement or other agreement applicable to another Business. Additionally, you must pay a relocation fee as set forth in the Franchise Agreement and otherwise comply with Section 3.B of the Franchise Agreement.

(v) You must provide any other information or materials as we may require, such as a letter of intent or other document which confirms your favorable prospects for obtaining the proposed site.

If you have not obtained legal possession of the site within 120 days of the date of Site Approval Letter, we have the right to retract such approval.

C. FINANCIAL QUALIFICATIONS.

In conjunction with our decision whether to accept or reject a proposed site, we may require that you and your Owners furnish us financial statements (historical and pro forma), statements of the sources and uses of capital funds, budgets and other information regarding yourself, your Owners and each legal entity, if any, involved in the development, ownership and operation of any Cookie Co.™ Business you propose, as well as any then-existing Cookie Co.™ Businesses you or your Affiliates own. All information shall be verified by you and your Owners as being complete and accurate in all respects, shall be submitted to us in accordance with our requirements and will be relied on by us in determining whether to grant a franchise for the proposed Cookie Co.™ Business. We may refuse to grant you a franchise for a Cookie Co.™ Business if you fail to demonstrate sufficient financial and management capabilities to properly develop and operate the proposed Cookie Co.™ Business and the then-existing Cookie Co.™ Businesses you and your Affiliates

own. We will evaluate these financial and management capabilities in accordance with the then-current standards we use to establish Cookie Co.™ Businesses in other comparable market areas.

D. GRANT OF FRANCHISE.

If we accept a proposed site pursuant to Section 3.B above, and you demonstrate the requisite financial and management capabilities (if requested by us) pursuant to Section 3.C above, then we agree to offer you the rights to a franchise to operate a Cookie Co.™ Business at the proposed site by delivering to you our then-current form of standard Franchise Agreement, together with all standard ancillary documents (including exhibits, addendum, riders, collateral assignments of leases, Owner guaranties and other related documents) that we then customarily use in granting franchises for the operation of Cookie Co.™ Businesses in the state in which the Cookie Co.™ Business is to be located, as follows:

(i) The Franchise Agreement must be signed by you and your Owners and returned to us not earlier than seven calendar days and not later than 15 business days after we deliver it to you. If we do not receive the fully signed Franchise Agreement and payment of the initial franchise fee as required hereunder, we may revoke our offer to grant you a franchise to operate a Cookie Co.™ Business at the proposed site and may revoke our acceptance of the proposed site. Concurrently with your signing and delivery to us of each Franchise Agreement, you and your Owners and Affiliates must, except if limited or prohibited by applicable law, sign and deliver to us a general release in form and substance satisfactory to us, of any and all claims against us, our Affiliates and shareholders, members, officers, directors, employees, agents, successors and assigns; and

(ii) The Development Fee payable for each Cookie Co.™ Business required to be developed by Area Developer pursuant to this Agreement shall be Five Thousand Dollars (\$5,000), payable upon execution of this ADA Agreement and the royalty fees shall not exceed the percentage set forth in our standard form Franchise Agreement being offered as of the date of this Agreement. The Development Fee paid in accordance with Section 2.A above will be applied against the initial franchise fee payable under each Franchise Agreement entered into pursuant to the terms of this Agreement. You acknowledge and agree that no portion of the Development Fee shall be refunded for any Cookie Co.™ Business that you have failed to develop in accordance with the terms of this Agreement.

E. RESTRICTIONS ON DEBT.

In connection with the development of the Development Area, including payment to us of the Development Fee set forth in Exhibit A, the payment of franchise fees and the costs and expenses to be incurred pursuant to Franchise Agreements, you and each Owner represent, warrant, covenant and agree that neither you nor any Owner borrowed any funds or otherwise incurred any debt to obtain any funds for the payment of any fees, costs, and expenses, except as specifically permitted in this Section 3.E. You and each Owner shall not, without our prior written consent, which we may grant or deny in our sole discretion, directly or indirectly borrow any money or incur any debt or liability (other than lease obligations for the Cookie Co.™ Business's land and building and trade payables in the ordinary course of business) to develop the Development Area or to establish, operate and maintain the Cookie Co.™ Businesses, which may be established in the Development Area pursuant to this Agreement, except that you shall be allowed to borrow, in connection with each Cookie Co.™ Business an amount not to exceed seventy five percent of the cost of the leasehold improvements, furniture, fixtures, kitchen equipment, and signs required for the opening of each Cookie Co.™ Business; provided, however, that this borrowing shall have a repayment term of no more than ten years from the date of the opening of the Cookie Co.™ Business. For purposes of this Section 3.E, any equity or other interests that we deem to be substantially similar to debt or borrowed funds (e.g. equity interests with preferences, dividends, etc) shall be deemed debt or borrowed funds. You shall not extend, renew, refinance, modify, or amend any debt or liability permitted by this Section 3.E without our prior written consent, which consent we may grant or deny in our sole discretion.

F. ANNUAL REPORTS.

You must furnish us: (i) within 90 days after the end of each calendar year, (a) a consolidated year-end balance sheet and income statement and statement of cash flow for you and all of your Affiliates that develop, own or operate Cookie Co.TM restaurants, all prepared in accordance with generally accepted accounting principles, consistently applied, reflecting all year-end adjustments and accrual; (b) similar information from all Owners who have signed guaranties of this Agreement; and (c) such summaries of financial information as we may require; and (ii) within 30 days of our request, such other information as we may periodically require, including sales mix data, food and labor cost reports, sales and income tax statements and a consolidated Business Plan for all Cookie Co.TM Businesses that you and your Affiliates own or operate. All reports shall use our then-current standard chart of accounts. You must sign a verification that the information in each such report and financial statement is complete and accurate. We reserve the right to require that your financial statements be audited, at your expense, by an independent certified public accountant approved by us. We reserve the right to publish or disclose information that we obtain under this Section 3.F in any data compilations, collections, or aggregations that we deem appropriate, in our sole discretion, including financial information relating to your individual Businesses.

Additionally, you must complete and submit to us a franchise financial qualification summary in the form designated by us, as it may periodically change, with your submission.

G. ACCEPTABLE STANDARDS.

Notwithstanding anything to the contrary in this Agreement, your right to develop each Cookie Co.TM Business provided for in this Agreement is expressly conditional on the maintenance of Acceptable Standards in all of your and your affiliates' Cookie Co.TM Businesses, whether developed pursuant to this Agreement or another area development agreement between us and you or your affiliates. As used in this Agreement, the term "*Acceptable Standards*" means a baseline score, as determined and adjusted from time to time by us in our reasonable discretion, measured on a trailing-12-months basis in the following measurable areas: quality assurance (QA) inspections, health inspections, hazard analysis and critical control points (HACCP) compliance and daily flow chart documentation, guest survey results, social media scorecard rating, and guest complaints; provided, however, that a failure to maintain Acceptable Standards may be excused with regard to guest survey results, social media scorecard rating or guest complaints if the applicable data set is not statistically significant at the time it is measured.

4. YOUR ORGANIZATION AND FRANCHISING.

A. ORGANIZATIONAL DOCUMENTS.

If you are, or at any time become, a business corporation, partnership, limited liability company or other legal entity, you and each of your Owners represent, warrant, and agree that: (1) you are duly organized and validly existing under the laws of the state of your organization, and, if a foreign business corporation, partnership, limited liability company or other legal entity, you are duly qualified to transact business in the state(s) in which the Development Area is located; (2) you have the authority to sign and deliver this Agreement and to perform your obligations hereunder; (3) true and complete copies of the articles or certificate of incorporation, articles of organization, operating agreement or principles, partnership agreement, bylaws, subscription agreements, buy-sell agreements, voting trust agreements and all other documents relating to your ownership, organization, capitalization, management and control ("Organizational Documents") shall be promptly delivered to us for our approval, which approval shall not be unreasonably withheld; (4) any and all amendments, deletions and additions to your Organizational Documents shall be promptly delivered to us for our approval, which approval shall not be unreasonably withheld; (5) your activities are restricted to those necessary solely for the development, ownership and operation of Cookie Co.TM Businesses in accordance with this Agreement and in accordance with any other agreements entered into with us or any of our Affiliates; (6) the Organizational Documents state that the

issuance, transfer or pledge of any direct or indirect legal or beneficial ownership interest is restricted by the terms of this Agreement; (7) all certificates representing direct or indirect legal or beneficial ownership interests now or hereafter issued must bear a legend in conformity with applicable law reciting or referring to these restrictions; and (8) you will deliver to us a secretary's/clerk's certificate or other evidence satisfactory to us, that the signing, delivery and performance of this Agreement, each Franchise Agreement, and all other agreements and ancillary documents contemplated hereby or thereby have been duly authorized by all necessary action by your corporation, partnership, limited liability company or other legal entity, as applicable.

B. DISCLOSURE OF OWNERSHIP.

You and each of your Owners represent, warrant and agree that Exhibit B is current, complete and accurate. You agree that an updated Exhibit B will be furnished promptly to us, so that Exhibit B (as so revised and signed by you) is at all times current, complete and accurate. Each person who is or becomes an Owner must sign a guaranty in the form we may choose to prescribe, undertaking to be jointly and severally by the terms of this Agreement, the current form of which is attached hereto as Exhibit C. Each person who is or becomes an Investor must sign an agreement in the form we prescribe, undertaking to be bound by the confidentiality and non-competition covenants contained in this Agreement, the current form of which is attached as Exhibit D. Each Owner and Investor must be an individual acting in his/her individual capacity, unless we waive this requirement.

C. OPERATING PARTNER/FRANCHISING OF BUSINESS.

You must designate in Exhibit B an individual (your “*Operating Partner*”) approved by us who must: (1) be engaged full-time in the business of your Cookie Co.TM Businesses; (2) have the authority to bind you regarding all operational decisions with respect to your Cookie Co.TM Businesses; and (3) have completed our training to our satisfaction.

Your Operating Partner: (1) shall exert his/her full-time and best efforts to the development and operation of all Cookie Co.TM Businesses you own; and (2) may not engage in any other business activity, directly or indirectly, that requires substantial management responsibility or time commitments or otherwise may conflict with your obligations hereunder. You must provide us with a copy of any proposed arrangement, agreement or contract, including any amendments, with your Operating Partner for our prior review and approval, and upon approval thereof, signed copies thereof. Such agreement must include a provision that if the Operating Partner is terminated, for whatever reason, he/she shall not for a period of two years after such termination (or such lesser period as may be prescribed by applicable law), recruit or hire any person who is an employee of yours, ours, or any Cookie Co.TM Business operated by us, our Affiliates, or any franchisee of ours without obtaining the employer's consent, which consent may be withheld for any reason. We shall have no responsibility, liability or obligation to any party to any such arrangement, agreement or contract, or any amendments, on account of our approval thereof or otherwise, and you must indemnify and hold us harmless with respect thereto. Each of your Businesses at all times must be managed by your Operating Partner and otherwise in accordance with the applicable Franchise Agreement.

If the relationship with your Operating Partner terminates, you must have in place a qualified replacement Operating Partner within 90 days from the termination date of the former Operating Partner. Failure to notify us of your Operating Partner's termination or failure to hire or select a successor Operating Partner who satisfies the requirements provided for in this Section will be considered a material breach of this Agreement.

Before opening your first Business, you and your Operating Partner and any other Personnel who are intended to have, or who actually have, responsibilities for more than one Cookie Co.TM Business must complete the appropriate training program to our satisfaction. Any Personnel who are intended to have, or who actually have, responsibilities for more than one Cookie Co.TM Business and who are hired after your

first Cookie Co.™ Business is opened must likewise complete the appropriate training program to our satisfaction before assuming such responsibilities.

You or your operating partner, as well as your General Manager, must attend our annual Cookie Co.™ Brand Conference each year. You also must participate in person in an annual Franchise Business Review meeting with us, either at our annual franchisee retreat or at our offices in Lehi, Utah. We do not charge any fees for the Brand Conference or Franchisee Business Review, but attendees are responsible for their own travel, lodging, and other incidental costs of attending.

D. KICKOFF MEETINGS.

We periodically hold a “Brand Immersion” meeting. The Brand Immersion meeting is to acquaint you and your Operating Partner with Cookie Co.™ ’s System Standards. You, your Operating Partner and your marketing director, if any, are required to attend a “Brand Immersion” meeting as soon as possible after entering into this Agreement. Other key members of your organization may also attend the Brand Immersion meeting. If key Personnel are added to your organization after the date hereof, they should attend the next scheduled Brand Immersion meeting after joining your organization.

5. RELATIONSHIP OF THE PARTIES.

A. INDEPENDENT CONTRACTORS.

Neither this Agreement nor the dealings of the parties pursuant to this Agreement shall create any fiduciary relationship or any other relationship of trust or confidence between the parties. Franchisor and Area Developer, as between themselves, are and shall be independent contractors.

You understand and agree that we may operate and change the System and our business in any manner that is not expressly and specifically prohibited by this Agreement. Whenever we have expressly reserved in this Agreement or are deemed to have a right and/or discretion to take or withhold an action, or to grant or decline to grant you a right take or withhold an action, except as otherwise expressly and specifically provided in this Agreement, we may make our decision or exercise our right and/or discretion on the basis of our judgment of what is in our best interests, including our judgment of what is in the best interest of our franchise network, at the time our decision is made or our right or discretion is exercised, without regard to whether: (1) other reasonable alternative decisions or actions could have been made by us; (2) our decision or the action we take promotes our financial or other individual interest; (3) our decision or the action we take applies differently to you and one or more other franchisees or our company-owned or company-affiliated operations; or (4) our decision or the exercise of our right or discretion is adverse to your interests. In the absence of an applicable statute, we will have no liability to you for any such decision or action. We and you intend that the exercise of our right or discretion will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, we and you agree that this covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants us the right to make decisions, take actions and/or refrain from taking actions not inconsistent with your rights and obligations hereunder.

Nothing contained in this Agreement, or arising from the conduct of the parties hereunder, is intended to make either party a general or special agent, joint venturer, partner or employee of the other for any purpose whatsoever. You must conspicuously identify yourself in all dealings with customers, lessors, contractors, suppliers, public officials, employees, and others as the owner of development rights granted hereunder and must place these other notices of independent ownership on such forms, business cards, stationery, advertising, and other materials as we may periodically require.

You may not make any express or implied agreements, warranties, guarantees or representations or incur any debt in our name or on our behalf or represent that the relationship of the parties is anything other

than that of independent contractors. We will not be obligated by or have any liability under any agreements made by you with any third party or for any representations made by you to any third party. We will not be obligated for any damages to any person or property arising directly or indirectly out of the operation of your business hereunder.

B. INDEMNIFICATION.

By signing below, you agree, during and after the Term of this Agreement, to indemnify us, our Affiliates and our respective directors, officers, employees, shareholders, members, agents, successors and assigns (collectively, “*Indemnitees*”), and to hold the Indemnitees harmless to the fullest extent permitted by law, (i) from any and all Losses and Expenses (as defined below) incurred in connection with any litigation or other form of adjudicatory procedure, claim, demand, investigation, or formal or informal inquiry (regardless of whether it is reduced to judgment) or (ii) from any settlement which arises directly or indirectly from, or as a result of, a claim of a third party against any one or more of the Indemnitees in connection with the development, ownership, operation or closing of any of your Cookie Co.TM Businesses (collectively “*Event*”), and regardless of whether it resulted from any strict or vicarious liability imposed by law on the Indemnitees, provided, however, that this indemnity will not apply to any liability arising from a breach of this Agreement by the Indemnitees or the gross negligence or willful misconduct of Indemnitees.

The term “*Losses and Expenses*” includes compensatory, exemplary, and punitive damages; fines and penalties; attorney’s fees; experts’ fees; court costs; costs associated with investigating and defending against claims; settlement amounts; judgments; compensation for damages to our reputation and goodwill; and all other costs associated with any of the foregoing losses and expenses. We agree to give you reasonable notice of any Event of which we become aware for which indemnification may be required and we may elect (but are not obligated) to direct the defense thereof, provided that the selection of counsel shall be subject to your consent, which consent shall not be unreasonably withheld or delayed.

We may, in our reasonable discretion, take such actions as we deem necessary and appropriate to investigate, defend, or settle any Event or take other remedial or corrective actions as may be necessary for the protection of Indemnitees or Cookie Co.TM Businesses generally, provided however, that any settlement shall be subject to your consent, which consent shall not be unreasonably withheld or delayed. Further, notwithstanding the foregoing, if the insurer on a policy or policies obtained in compliance with your Franchise Agreement agrees to undertake the defense of an Event (an “*Insured Event*”), we agree not to exercise our right to select counsel to defend such Event if such an action would cause your insurer to deny coverage. We reserve the right to retain counsel to represent us with respect to an Insured Event at our sole cost and expense. This Section 5.B shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

C. OWNERSHIP OF THE MARKS.

Your right to use the Marks arises solely from, and is limited to, Franchise Agreements entered into between you and us. Your right is limited to conducting business pursuant to and in compliance with Franchise Agreements entered into between you and us. Your unauthorized use of any of the Marks constitutes a breach of such Franchise Agreements and this Agreement and an infringement of our rights to the Marks. Neither this Agreement nor any of the Franchise Agreements entered into between you and us confer on you any goodwill or other interests in the Marks. Your use of the Marks and any goodwill established thereby inures to our exclusive benefit. All provisions of the Franchise Agreements applicable to the Marks apply to any additional or substitute Marks we authorize you to use. You may not use any Mark (or any abbreviation, modification or colorable imitation) as a part of any corporate or legal business name or in any other manner including any Internet related use such as an electronic media identifier for social media, social handles, websites, web pages or domain names not expressly authorized by us in writing. You may not at any time during or after the Term, contest, or assist any other person or entity in contesting, the validity or ownership of any of the Marks.

6. RESTRICTIVE COVENANTS.

A. CONFIDENTIAL INFORMATION.

You acknowledge that we possess proprietary certain Confidential Information (as defined in Section 1.D above) including, without limitation, proprietary knowledge consisting of the ingredients and methods of preparation of food products sold at and operating procedures of Cookie Co.™ Businesses. We may disclose Confidential Information to you, your Owners, or your Personnel in the training program, Operating Manual and/or in guidance furnished to you during the Term of the Agreement. Each person who is or becomes an Investor must sign an agreement in the form we prescribe, undertaking to be bound by the confidentiality and non-competition covenants contained in this Agreement, the current form of which is attached hereto as Exhibit D.

We will disclose parts of our Confidential Information to you solely for your use in connection with this Agreement. The Confidential Information is proprietary and includes our trade secrets. During the Term and thereafter: (1) you and your Owners may not use the Confidential Information in any other business or capacity (which you and your Owners agree and acknowledge would be an unfair method of competition); (2) you and your Owners must maintain the confidentiality of the Confidential Information; (3) you and your Owners may not make unauthorized copies of any portion of the Confidential Information disclosed in written, electronic, or other form; (4) you and your Owners must implement all reasonable procedures we periodically prescribe to prevent unauthorized use or disclosure of the Confidential Information, including the use of nondisclosure agreements with your Owners, officers, directors, Operating Partners, and other Personnel, and you and your Owners must deliver these agreements to us; (5) you and your Owners must not disclose during or after the Term of the Franchise Agreement any of the Confidential Information; (6) you, your Owners, and all Personnel who prepare the food will be required to sign a standard confidentiality agreement for any trade secrets and Confidential Information herein described and to conform with the covenants not to compete; and (7) you and/or your Owners must immediately notify us if there is an improper disclosure and if it is determined that there was negligence in protecting the behavior, you can be sued for damages.

At the end of the Term, you and your Owners must deliver to us all Confidential Information in your possession or control. Your restrictions on disclosure and use of Confidential Information do not apply to information or techniques which are or become generally known in the restaurant industry (other than through your own disclosure), provided you obtain our prior written consent to such disclosure or use. If any of the Confidential Information which has been disclosed to you pursuant to this Agreement becomes generally known in the food service industry other than through your default in the obligations under this Agreement, and you desire to be released from the secrecy obligations under this Section in respect to this information, we will not unreasonably withhold our consent to this release.

Notwithstanding the foregoing provisions of this Section 9.A, you must comply with all applicable federal, state and local laws, including any restrictions on post-termination non-competition agreements. In the event of a conflict between the terms of this Agreement and any such laws, your obligation to comply with the laws shall supersede this Agreement, but only to the narrowest extent necessary to ensure compliance with such laws. By way of illustration only: If this Agreement calls for a post-termination non-competition agreement to extend for two years after termination but applicable state law only allows such agreements to extend for one year, then an agreement which extends for one year may be deemed to comply with this Agreement; but an agreement that extends for less than one year would not be in compliance with this Agreement.

B. IN-TERM COVENANTS.

During the Term, neither you nor any of your Owners may, without our prior consent (which consent may be withheld at our discretion):

(i) directly or indirectly (such as through immediate families) own any legal or beneficial interest in, or render services or give advice to: (a) any Competitive Business located anywhere; or (b) any entity located anywhere which grants franchises, licenses or other interests to others to operate any Competitive Business; or

(ii) divert or attempt to divert any business or customers of Cookie Co.™ Businesses to any competitor or do anything injurious or prejudicial to the goodwill associated with the Marks or the System.

C. INFORMATION EXCHANGE.

All recipes, processes, ideas, concepts, methods, techniques, or materials used or useful to a restaurant, grocery store, or other business offering food products, whether or not constituting protectable intellectual property, that you create, or that are created on your behalf, in connection with the development or operation of your Businesses must be promptly disclosed to us. If we adopt any of them as part of the System Standards, they will be deemed to be our sole and exclusive property and deemed to be works made-for-hire for us. You must sign whatever assignment or other documents we request to evidence our ownership or to assist us in securing intellectual property rights in these recipes, processes, ideas, concepts, methods, techniques, or materials.

7. FRANCHISOR'S RIGHTS TO TRANSFER.

A. FRANCHISOR'S RIGHTS.

This Agreement is fully transferable by us and will inure to the benefit of any transferee or other legal successor to our interest in this Agreement.

8. AREA DEVELOPER'S RIGHTS TO TRANSFER.

A. FRANCHISOR'S APPROVAL.

Your rights and duties under this Agreement are personal to you or, if you are a business corporation, partnership, limited liability company or other legal entity, your Owners. Accordingly, neither you nor any of your Owners may Transfer the Franchise without our approval and without complying with all of the provisions of this Section 8. Any Transfer without this approval or compliance constitutes a breach of this Agreement and is void and of no force or effect. You may not under any circumstance directly or indirectly subfranchise or sublicense any of your rights hereunder.

“*Transfer*” is defined, for purposes of this Agreement, as the voluntary or involuntary, direct or indirect transfer, assignment, sale, gift, pledge, mortgage, hypothecation or other disposition (including those occurring by operation of law and a series of transfers that in the aggregate constitute a Transfer) of any of your interest in this Agreement or of a Controlling Interest in you. It may also be used as a verb, in which case it shall mean the act of completing a Transfer. “*Controlling Interest*,” for purposes of this Section 13 and provisions, addenda and exhibits which refer to this Section 13, means an interest, the ownership of which empowers the holder to exercise a controlling influence over the management, policies or personnel of an entity. Ownership of 10% or more of the equity or voting securities of a corporation, limited liability company or limited liability partnership or ownership of any general partnership interest in a general or limited partnership will be deemed conclusively to constitute a Controlling Interest in the corporation, limited liability company, or partnership, as the case may be.

B. CONDITIONS FOR APPROVAL.

If we have not exercised our right of first refusal pursuant to Section 8.F below, we will not unreasonably withhold our approval of a Transfer that meets all of the reasonable restrictions, requirements and conditions we impose on the transfer, the transferor and the transferee, including the following:

(i) you are operating your opened Businesses in accordance with this Agreement, the Franchise Agreements, and all other associated agreements;

(ii) you and your Owners and Affiliates are in compliance with the provisions of this Agreement, all Franchise Agreements signed pursuant hereto and all other agreements with us or any of our Affiliates;

(iii) the proposed transferee, or its Owners (if the proposed transferee is a corporation, partnership, limited liability company or other legal entity), must: (a) provide us on a timely basis all information we request, (b) be individuals acting in their individual capacities who are of good character and reputation, (c) have sufficient business experience, aptitude and financial resources to develop, open and operate Cookie Co.TM Businesses within the Development Area pursuant to this Agreement, and (d) otherwise meet our approval;

(iv) the proposed transferee may not be an entity, or be affiliated with an entity, that is required to comply with reporting and information requirements of the Securities Exchange Act of 1934, as amended;

(v) the transferee (and its owners) must agree to be bound by all of the provisions of this Agreement for the remainder of its Term;

(vi) at our discretion, we may require that the transferee must acquire, in a concurrent transaction, all of your rights, and the rights of your Owners and Affiliates, under all agreements between you or your Affiliates and us or our Affiliates, including all Franchise Agreements for Cookie Co.TM Businesses signed by you or your Owners or Affiliates pursuant to this Agreement or pursuant to any other development or similar agreement with us;

(vii) you or the transferee must pay us a Transfer fee equal to Ten Thousand Dollars (\$10,000), plus Ten Thousand Dollars (\$10,000) for each Cookie Co.TM Business for which a Franchise Agreement has been signed pursuant hereto (as required under the terms of such Franchise Agreements), plus any transfer fee required by any other agreement between you or your Affiliates and us or our Affiliates;

(viii) you and your Owners and Affiliates must, unless limited or prohibited by applicable law, sign a general release, in form and substance satisfactory to us, of any and all claims against us, our Affiliates, shareholders, members, officers, directors, employees, agents, successors and assigns;

(ix) we must not have disapproved the material terms and conditions of the Transfer (including the price and terms of payment and the amount to be financed by the transferee in connection with the Transfer, which shall not in any event exceed seventy-five percent (75%) of the purchase price for the assets or stock to be transferred) on the basis that they are so burdensome as to be likely, in our reasonable judgment, to adversely affect the transferee's operation of Cookie Co.TM Businesses or its compliance with its Franchise Agreements, this Agreement, and any other agreements being transferred;

(x) if you (or any of your Owners or Affiliates) finance any part of the sale price of the Transferred interest, you and your Owners or Affiliates must agree that all obligations of the transferee, and security interests reserved by any of them in the assets transferred, will be subordinate to the transferee's obligations to pay all amounts due us and our Affiliates and to otherwise comply with this

Agreement, any Franchise Agreement being transferred or any Franchise Agreement signed by the transferee;

(xi) you and your Owners and Investors must sign a non-competition covenant, in form and substance satisfactory to us, in favor of us and the transferee agreeing that, for a period of two years, starting on the effective date of the Transfer, you and your Owners will not directly or indirectly (such as through immediate family members): (a) own any legal or beneficial interest in, or render services or give advice to (1) any Competitive Business that is operating within the Development Area; (2) any Competitive Business that is located within five mile radius of any other Cookie Co.TM Business in operation or under construction as of the effective date of the Transfer; or (3) any entity which grants franchises, licenses or other interests to others to operate any Competitive Business; and (b) recruit or hire any person who is an employee of ours or of any Cookie Co.TM Business operated by us, our Affiliates or any franchisee of ours without obtaining the employer's consent, which consent may be withheld for any reason;

(xii) you and your Owners and Affiliates must sign such other documents and do such other things as we may reasonably require to protect our rights under this Agreement, any Franchise Agreements and any other agreements being transferred.

C. EFFECT OF APPROVAL.

Our approval of a Transfer does not constitute: (1) a representation as to the fairness of the terms of any agreement or arrangement between you or your Owners and the transferee or as to the prospects of success by the transferee; or (2) a release of you and your Owners, a waiver of any claims against you or your Owners or a waiver of our right to demand the transferee's compliance with this Agreement. Any approval shall apply only to the specific Transfer proposed and shall not constitute an approval of, or have any bearing on, any other proposed Transfer.

D. SPECIAL TRANSFERS.

Section 8.B(vii) above shall not apply to any Transfer among any of your then-current Owners or to any Transfer to any member of your immediate family or the immediate family of a then-current Owner of you (if you are a corporation, partnership, limited liability company or other legal entity). On 30 days' notice to us, you (if you are an individual or partnership) may Transfer this Agreement, in conjunction with a Transfer of all of the Franchise Agreements signed pursuant hereto and all of the assets of the Cookie Co.TM Businesses operated pursuant thereto, by an agreement in form and substance approved by us, to an entity which conducts no business other than the development and operation of Cookie Co.TM Businesses and of which you own and control all of the equity and voting power. None of the foregoing assignments shall relieve you or your Owners of your obligations hereunder, and you and your Owners shall remain jointly and severally liable for all obligations hereunder.

E. DEATH OR DISABILITY OF AREA DEVELOPER.

Upon your death or permanent disability, or the death or permanent disability of the Operating Partner or an Owner of a controlling interest in Area Developer, the executor, administrator or other personal representative of such person shall Transfer his/her interest in this Agreement or his/her interest in Area Developer to a third party approved by us in accordance with all of the applicable provisions of this Section 8 within a reasonable period of time, not to exceed nine months from the date of death or permanent disability.

F. FRANCHISOR'S RIGHT OF FIRST REFUSAL.

If you or any of your Owners desire to Transfer this Agreement or any right thereof or interest therein for legal consideration, you or such Owner must obtain a *bona fide*, signed written offer from a responsible and fully dislodged purchaser and must deliver immediately to us a complete and accurate copy of such offer.

If the offeror proposes to buy any other property or rights from you or any of your Owners or Affiliates (other than rights under other Cookie Co.™ area development agreements) as part of the *bona fide* offer, the proposal for this property or rights must be set forth in a separate, contemporaneous offer that is fully disclosed to us, and the price and terms of purchase offered to you or your Owners for the Transfer must reflect the *bona fide* price offered therefore and may not reflect any value for any other property or rights.

We have the option, exercisable by notice delivered to you or your Owners within 30 days from the date of delivery of a complete and accurate copy of this offer to us, to purchase this interest for the price and on the terms and conditions contained in this offer, provided that: (1) we may substitute cash for any form of payment proposed in this offer; (2) our credit shall be deemed equal to the credit of any proposed purchaser; and (3) we will have not less than 90 days from the option exercise date to consummate the transaction. We have the right to investigate and analyze the business, assets and liabilities and all other matters we deem necessary or desirable to make an informed investment decision with respect to the fairness of the terms of our right of first refusal. We may conduct an investigation and analysis in any manner we deem reasonably appropriate and you and your Owners must cooperate fully with us in connection therewith.

If we exercise our option to purchase, we are entitled to purchase an interest subject to all representations and warranties, closing documents, releases, non-competition covenants and indemnities as we reasonably may require, provided that if we exercise our option as a result of a written offer reflected in a fully negotiated definitive agreement with the proposed purchaser, we will not be entitled to any additional representations, warranties, closing documents or indemnities that will have a materially adverse effect on your rights and obligations under the definite agreement. If we do not exercise our option to purchase, you or your Owners may complete the sale to this offeror pursuant to and on the exact terms of the offer, subject to our approval of the Transfer as provided in Sections 8.B and 8.C above, provided that if the sale to the offeror is not completed within 90 days after delivery of this offer to us, or if there is a material change in the terms of the offer, you must promptly notify us and we will have an additional option to purchase (on the terms of the revised offer, if any, and otherwise as set forth herein) during the 30-day period following your notification of the expiration of the 90-day period or the material change to the terms of the offer.

G. SECURITIES OFFERINGS.

If we choose to issue a public offering neither you nor any of your Owners may issue or sell, or offer to issue or sell, any of your Cookie Co.™ securities or any Cookie Co.™ securities of any of your Affiliates, regardless of whether a sale or offer would be required to be registered pursuant to the provisions of the Securities Act of 1933, as amended, or the securities laws of any other jurisdiction, without obtaining our prior consent and complying with all of our requirements and restrictions concerning use of information about us and our affiliates. Neither you nor any of your Owners may issue or sell your securities or the securities of any of your Affiliates if: (1) these securities would be required to be registered pursuant to the Securities Act of 1933, as amended, or these securities would be owned by more than thirty-five persons; or (2) after this issuance or sale, you or this Affiliate would be required to comply with the reporting and information requirements of the Securities Exchange Act of 1934, as amended.

Any proposed private placement of your or your Affiliate's securities must be approved by us; provided however, that we shall not be responsible for its contents and you shall indemnify and hold us harmless from any and all claims associated with such private placement. The offering memorandum or information used in connection with the private placement will clearly identify that it is not an offering by us and that we have not participated in its preparation and have not supplied any financial information, projections, budgets, cost estimates, or similar information contained therein, all of which shall be your sole responsibility. Each recipient of information relating to the private placement must maintain it in confidence, and you shall be responsible for any disclosure.

9. TERMINATION OF AGREEMENT.

A. IMMEDIATE TERMINATION.

You are in material breach and deemed to be in default of this Agreement, and this Agreement will automatically terminate without notice, at our discretion, if any of the following events occur:

- (i) you become insolvent by reason of your inability to pay your debts as they mature;
- (ii) you become insolvent by reason of your assets being less than the value of your liabilities;
- (iii) you are adjudicated bankrupt or insolvent;
- (iv) you file a petition in bankruptcy, reorganization or similar proceeding under the bankruptcy laws of the United States or have such a petition filed against you which is not discharged within 30 days;
- (v) a receiver or other custodian, permanent or temporary, is appointed for your business, assets or property;
- (vi) you request the appointment of a receiver or make a general assignment for the benefit of creditors;
- (vii) final judgment against you in the amount of Twenty-Five Thousand Dollars (\$25,000) or more remains unsatisfied of record for 30 days or longer;
- (viii) your bank accounts, property or accounts receivable are attached;
- (ix) execution is levied against your business or property;
- (x) suit is filed to foreclose any lien or mortgage against any of your assets and this suit is not dismissed within 30 days;
- (xi) if you voluntarily dissolve or liquidate or have a petition filed for corporate or partnership dissolution and this petition is not dismissed within 30 days;
- (xii) you are in violation of any of the Anti-Terrorism Laws.

You expressly waive all rights under the provisions of the bankruptcy or other applicable laws and rules, and consent to the immediate termination of this Agreement as provided herein. You agree not to seek an order from any court, tribunal, or agency in any jurisdiction relating to bankruptcy, insolvency, reorganization or any similar proceedings that would have the effect of staying or enjoining this provision.

B. NOTICE OF TERMINATION.

In addition to our right to terminate pursuant to other provisions of this Agreement and under applicable law, we have the right to terminate this Agreement, effective upon delivery of notice of termination to you, if you or any of your Principal Owners or Affiliates:

- (i) fail to meet the Development Schedule;
- (ii) make an unauthorized Transfer of the Development Rights or fail to Transfer the Development Rights or the interest of a deceased or disabled Owner as required hereby;

- (iii) make any material misstatement or omission in the Personal Profile, the ADA Application or in any other information, report or summary provided to us at any time;
- (iv) are convicted of, or plead no contest to, a felony or other crime or offense that we reasonably believe may adversely affect the System Standards or the goodwill associated with the Marks;
- (v) make any unauthorized use or disclosure of any Confidential Information;
- (vi) fail or refuse to comply with any other provision of this Agreement and do not correct this failure within 30 days after notice of this failure to comply is delivered to you;
- (vii) are in breach of any Franchise Agreement such that we have the right to terminate the Franchise Agreement, whether or not we elect to exercise our right to terminate the Franchise Agreement;
- (viii) are in breach of any other agreement between you or any of your affiliates and us or any of our Affiliates such that we have a right to terminate any such agreement, whether or not we elect to exercise our right to terminate this agreement;
- (ix) if we determine that any applicable federal or state statute, regulation, rule or law, which is enacted, promulgated or amended after the date hereof, may have material adverse effect on our rights, remedies or discretion in franchising Cookie Co.™ Businesses; or
- (x) you fail to notify us of your Operating Partner's termination and/or fail to hire or select a successor Operating Partner who satisfies the requirements provided for in Section 4.C above will be considered as a breach of this Agreement.

The Development Fee shall be fully earned by us upon signing of this Agreement for administrative and other expenses incurred by us and for the development opportunities lost or deferred as a result of the rights granted to you herein. We have no obligation whatsoever to refund any portion of the Development Fee upon any termination, except that we will refund the unapplied portion of the Development Fee in the event of a termination pursuant to subparagraph (ix) above.

10. EFFECT OF TERMINATION OR EXPIRATION.

A. PAYMENT OF AMOUNTS OWED TO US.

Within 30 days after the effective date of termination or expiration (without renewal) of this Agreement, you must pay us and our Affiliates all royalties, advertising fund contributions, amounts owed for purchases from us or our Affiliates, interest due on any of the foregoing and all other amounts owed to us or our Affiliates which are then unpaid.

B. POST-TERM COVENANTS.

For a period of two years, starting on the effective date of termination or expiration (without renewal) of this Agreement, neither you nor any of your Owners directly or indirectly (such as through immediate family members) own a legal or beneficial interest in, or render services or give advice to: (1) any Competitive Business operating within the Development Area; (2) any Competitive Business operating within a radius of five miles of any Cookie Co.™ Business in operation or under construction on the effective date of termination or expiration; (3) any entity which grants franchises or licenses other interests to others to operate any Competitive Business; or (4) recruit or hire any person who is an employee of ours or of any Cookie Co.™ Business operated by us, our Affiliates or another franchisee of ours without obtaining the employer's consent, which consent may be withheld for any reason.

You and each of your Owners expressly acknowledge the possession of skills and abilities of a general nature and the opportunity for exploiting these skills in other ways, so that enforcement of the covenants contained in this Section 10.B will not deprive any of you of your personal goodwill or ability to earn a living. If you or any of your Owners fail or refuse to abide by any of the foregoing covenants and we obtain enforcement in a judicial proceeding, the obligations under the breached covenant will continue in effect for a period of time ending two years after the date of the order enforcing the covenant.

You agree that, upon termination or expiration of this Agreement, you will immediately cease to use any Confidential Information disclosed to you pursuant to this Agreement in any business or otherwise and you will return to us all copies of the Operations Manual and any other Confidential Information (including, without limitation, all recipe books) which we have loaned to you.

C. CONTINUING OBLIGATIONS.

All obligations under this Agreement which expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect until they are satisfied in full or by their nature expire.

D. OUR OPTION TO PURCHASE YOUR ASSETS

If this Agreement is terminated pursuant to Section 9.A or 9.B above, upon such termination we shall have the right to purchase the assets of any or all of your Businesses. Such right to purchase the assets of your Businesses is pursuant to the applicable Franchise Agreements; provided, however, that if we exercise such right as to more than one Business, the appraisals and closings called for in such Franchise Agreements may be consolidated into one appraisal and closing consisting of all of the assets that we elect to purchase. For the avoidance of doubt, our rights set forth in this Section 10.D shall not be triggered by your completion of the Development Schedule.

11. DISPUTE RESOLUTION.

You and your Owners irrevocably submit to the jurisdiction of the courts of the State of Utah in any suit, action or proceeding, arising out of or relating to this Agreement or any other dispute between you and us, and you irrevocably agree that all claims in respect of any such suit, action or proceeding must be brought and/or defended except with respect to matters that are under the exclusive jurisdiction of the federal courts of the United States of America, which shall be brought and/or defended in the federal district court sitting in Salt Lake City, Utah. You irrevocably waive, to the fullest extent you may lawfully do so, the defense of an inconvenient forum to the maintenance of this suit, action or proceeding and agree that service of process for purposes of any such suit, action or proceeding need not be personally served or served within the State of Utah but may be served with the same effect as if you were served within the State of Utah, by certified mail or any other means permitted by law addressed to you at the address set forth herein. Nothing contained herein shall affect our rights to bring a suit, action, or proceeding in any other appropriate jurisdiction, including any suit, action or proceeding brought by us to enforce any judgment against you entered by a state or federal court.

The provisions of this Section 11.A shall continue in full force and effect subsequent to and notwithstanding expiration and termination of this Agreement.

12. MISCELLANEOUS.

A. SEVERABILITY AND SUBSTITUTION OF PROVISIONS.

Each section, paragraph, term and provision of this Agreement shall be considered severable, and if any portion of this agreement is held to be invalid, contrary to, or in conflict with any applicable present or

future law or regulation, it shall not have any effect upon such other portions of this Agreement as may remain otherwise intelligible. If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of or refusal to renew this agreement than is required under this Agreement, or the taking of some other action not required under it, or if under any applicable and binding law or rule of any jurisdiction, any provision of this agreement or any specification, standard or operating procedure prescribed by us is invalid or unenforceable, the prior notice and/or other action required by this law or rule shall be substituted for the comparable provisions of this Agreement, and we shall have the right to modify such invalid or unenforceable provision, specification, standard or operating procedure if required to be valid and enforceable and you will be bound to such modification. Otherwise, all modifications to this Agreement must be in writing signed by both Parties (except for modifications accomplished by virtue of our amendment to System Standards and/or the Operations Manual as described herein). If any covenant herein which restricts competitive activity is deemed unenforceable by virtue of its scope or in terms of geographic area, type of business activity prohibited and/or length of time, but could be rendered enforceable by reducing any part or all of it, you and we agree that it will be enforced to the fullest extent permissible under applicable law and public policy.

Nothing in this Agreement or any related agreement is intended to disclaim Franchisor's representations made in the Franchise Disclosure Document.

B. WAIVER OF OBLIGATIONS.

We and you may by written instrument unilaterally waive or reduce any obligation of, or restriction upon, the other under this Agreement, effective upon delivery of written notice to the other. We and you shall not be deemed to have waived or impaired any right, power or option reserved by this Agreement (i) by virtue of any custom or practice of the Parties at variance with the terms of this Agreement; (ii) any failure, refusal or neglect of us or you to exercise any right under this Agreement or to insist upon exact compliance by the other with its obligations under this Agreement; (iii) any waiver, forbearance, delay, failure or omission by us to exercise any right, power or option with respect to any of your Cookie Co.TM Businesses; or (iv) our acceptance of any payments due from you after any breach of this Agreement. Neither Party shall be liable for loss or damage or deemed to be in breach of this Agreement if its failure to perform its obligations results from: (i) transportation shortages, inadequate supply of labor, material or energy, or the voluntary foregoing of the right to acquire or use any of the foregoing to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any department or agency thereof; (ii) compliance with any law, ruling, order, regulation, requirement or instruction of any agency of government; (iii) acts of God; (iv) acts of omissions of the other Party; (v) fires, strikes, embargoes, war, or riot; or (vi) any other similar event or cause. Any delay resulting from any cause shall extend performance accordingly or excuse performance, in whole or in part, as may be reasonable.

C. EXERCISE OF RIGHTS.

Except as otherwise expressly provided herein, the rights of Franchisor and Area Developer hereunder are cumulative and no exercise or enforcement by Franchisor or Area Developer of any right or remedy hereunder shall preclude the exercise or enforcement by Franchisor or Area Developer of any other right or remedy hereunder which Franchisor or Area Developer is entitled to enforce by applicable law. Notwithstanding the foregoing, and except as otherwise prohibited or limited by applicable law, any failure, neglect, or delay of a party to assert any breach or violation of any legal or equitable right arising from or in connection with this Agreement shall constitute a waiver of this right and shall preclude the exercise or enforcement of any legal or equitable remedy arising therefrom, unless written notice specifying this breach or violation is provided to other party within 24 months after the later: (1) the date of this breach or violation; or (2) the date of discovery of the facts (or the date the facts could have been discovered, using reasonable diligence) giving rise to this breach or violation.

D. INJUNCTIVE RELIEF.

We may obtain in any court of competent jurisdiction any injunctive relief, including temporary restraining orders and preliminary injunctions, against conduct or threatened conduct for which no adequate remedy at law may be available or which may cause us irreparable harm. We may have this injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and your sole remedy in the event of the entry of this injunction, shall be its dissolution, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived). You and each of your Owners acknowledge that any violation of Sections 6, 8.B(xi), or 10.B above would result in irreparable injury to us for which no adequate remedy at law may be available. Accordingly, you and each of your Owners consent to the issuance of an injunction prohibiting any conduct in violation of any of those Sections and agree that the existence of any claim you or any of your Owners may have against us, whether or not arising from this Agreement, shall not constitute a defense to the enforcement of any of those Sections.

E. ATTORNEYS' FEES.

In a judicial proceeding, the non-prevailing party agrees to reimburse the prevailing party for all of the prevailing party's costs and expenses, including reasonable accounting, paralegal, expert witness and attorneys' fees.

F. GOVERNING LAW.

This Agreement shall be construed under the laws of the State of Utah, provided, however, that the foregoing shall not constitute a waiver of any of your rights under any applicable franchise law of another state. Otherwise, in the event of any conflict of law, Utah law will prevail, without regard to its conflict of law principles. However, if any provision of this Agreement would not be enforceable under Utah law, and if the Development Area is predominantly located outside of Utah and this provision would be enforceable under the laws of the state in which the Development Area is located, then this provision shall be construed under the laws of that state. Nothing in this Section 12.F is intended to subject this Agreement to any franchise or similar law, rule or regulation of the State of Utah or any other state or political subdivision to which it otherwise would not be subject.

G. SUCCESSORS AND ASSIGNS.

This Agreement is binding on the parties and their respective executors, administrators, heirs, assigns and successors in interest. This Agreement is fully transferable and assignable by us, whether by operation of law or otherwise, and shall inure to the benefit of any transferee or other legal successor to our interests herein.

H. LIMITATIONS ON LEGAL ACTIONS.

Except with respect to your obligations regarding use of the Marks in Section 5 above and the Confidential Information in Section 6.A above, we, you and your Owners each waives, to the fullest extent permitted by law, any right to or claim for any punitive or exemplary damages against the other. You and each of your Owners waive, to the fullest extent permitted by applicable law, the right to recover consequential damages for any claim directly or indirectly arising from or relating to this Agreement.

You agree that for our franchise system to function properly we should not be burdened with costs of litigating system-wide disputes. Accordingly, any disagreement between you or your Owners and us shall be considered unique as to its facts and shall not be brought as a class action, and you and each of your Owners waive any right to proceed against us or any of our shareholders, members, Affiliates, officers, directors, employees, agents, successors and assigns by way of class action, or by way of a multi-plaintiff,

consolidated or collective action. In any legal action between the parties, the court shall not be precluded from making its own independent determination of the issues in question, notwithstanding the similarity of issues in any other legal action involving us and any other franchisee, and each party waives the right to claim that a prior disposition of the same or similar issues precludes this independent determination.

Furthermore, the Parties agree that any legal action in connection with this Agreement shall be tried to the court sitting without a jury, and **all Parties waive any right to have any action tried by jury.**

I. CONSTRUCTION.

The language of this Agreement shall be construed according to its fair meaning and not strictly against any party. The preamble, introduction, personal guaranties, exhibits and riders (if any) to this Agreement are a part of this Agreement, which constitutes the entire Agreement of the parties with respect to the subject matter thereof. Except as otherwise expressly provided herein, there are no other oral or written agreements, understandings, representations or statements relating to the subject matter of this Agreement, other than the Franchise Disclosure Document, that either party may or does rely on or that will have any force or effect. Nothing in this Agreement shall be deemed to confer any rights or remedies on any person or legal entity not a party. This Agreement shall not be modified except by written agreement signed by both parties.

The headings of sections are for convenience only and do not limit or construe their contents. The word “including” shall be construed in all instances to include the words “without limitation.” The term “Area Developer” or “you” is applicable to one or more persons, or entities, as the case may be. If two or more persons are at any time Area Developer hereunder, whether as partners, joint venturers or otherwise, their obligations and liabilities to us shall be joint and several. References to a controlling interest in an entity shall mean more than fifty percent of the equity or voting control of such entity. Any singular usage includes the plural, and the masculine and neuter usages include the other and the feminine.

J. SIGNATURES; TIME OF THE ESSENCE.

This Agreement may be signed in multiple copies, each of which shall be deemed an original. Time is of the essence in this Agreement.

K. APPROVAL AND CONSENTS.

Whenever this Agreement requires the approval or consent of either Party, the other Party shall make written request therefore, and such approval or consent shall be obtained in writing; provided however, unless specified otherwise in this Agreement, such Party may withhold approval or consent, for any reason or for no reason at all. Furthermore, unless specified otherwise in this Agreement, no such approval or consent shall be deemed to constitute a warranty or representation of any kind, express or implied, and the approving or consenting Party shall have no responsibility, liability or obligation arising therefrom.

L. NOTICE AND PAYMENTS.

All notices, requests and reports permitted or required to be delivered by this Agreement shall be deemed delivered:

- (i) at the time delivered by hand to the recipient party or any officer, director, or partner of the recipient party;
- (ii) on the same day of the transmission by facsimile, telegraph or other reasonably reliable electronic communication system;

(iii) one business day after being placed in the hands of a commercial courier service for guaranteed overnight delivery; or

(iv) five business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the party to be notified at its most current principal business address of which the notifying party has been notified in writing.

All notices to us must consist of two copies, one each to our general counsel and chief executive officer, to be effective. These notices, requests, and reports shall be sent to us at the address identified in this Agreement unless and until a different address has been designated by written notice to the other party. No restrictive endorsement on any check or in any letter or other communication accompanying any payments shall bind us, and our acceptance of any such payments shall not constitute an accord and satisfaction.

M. PROVISIONS CONCERNING COMPLIANCE WITH ANTI-TERRORISM LAWS.

(i) You, your Owners and your Affiliates agree to comply with and/or to assist us to the fullest extent possible in our efforts to comply with Anti-Terrorism Laws (as defined below). In connection with this compliance, you, your Owners and your Affiliates certify, represent, and warrant that none of your property or interests is subject to being “blocked” under any of the Anti-Terrorism Laws and that you, your Owners, and your Affiliates are not otherwise in violation of any of the Anti-Terrorism Laws.

(ii) For the purposes of this Section 12.M, “*Anti-Terrorism Laws*” means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists and any other requirements of any Governmental Authority (including the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

(iii) You, your Owners and your Affiliates certify that none of you, your Owners and your Affiliates, your employees, or anyone associated with you is listed in the Annex to Executive Order 13225. You agree not to hire any individual who is listed in the Annex. (The Annex is available at <http://www.treasury.gov/offices/enforcement/ofac/sanctions/terrorism.html>).

(iv) You, your Owners, and your Affiliates certify that you have no knowledge or information that, if generally known, would result in you, your Owners and your Affiliates, your employees, or anyone associated with you to be listed in the Annex to Executive Order 13224.

(v) You, your Owners, and your Affiliates are solely responsible for ascertaining what actions must be taken by you to comply with the Anti-Terrorism Laws, and you specifically acknowledge and agree that your indemnification responsibilities set forth in Section 5.B of this Agreement pertain to your obligations under this Section 12.M.

(vi) Any misrepresentation by you under this Section 12.M or any violation of the Anti-Terrorism Laws by you, your Owners and your Affiliates, or your employees shall constitute grounds for immediate termination of this Agreement and any other Agreement you have entered with us or one of our Affiliates, in accordance with the terms of Section 9.A of this Agreement.

N. RECEIPT OF DISCLOSURE DOCUMENT AND AGREEMENT.

You acknowledge having received our Franchise Disclosure Document at least 14 calendar days before signing this Agreement. You also acknowledge having received this Agreement, with all blanks completed, at least seven calendar days before you signed it.

(Signatures on following page)

IN WITNESS WHEREOF, the parties have signed and delivered this Agreement on the day and year first above written.

FRANCHISOR:

COOKIE CO.™ Franchising, LLC,
a Utah limited liability company

By: CV Holdings, LC, a Utah limited liability
company, its manager

By: _____
Print Name: _____
Title: _____

AREA DEVELOPER:

**[AREA DEVELOPER NAME],
[AREA DEVELOPER ENTITY
TYPE]**

By: _____
Print Name: **[AREA DEVELOPER
SIGNATORY]**
Title: _____

OWNERS:

Signed: _____
Print Name: **[OWNER #1]**

Signed: _____
Print Name: **[OWNER #2]**

Signed: _____
Print Name: **[OWNER #3]**

**EXHIBIT A
DEVELOPMENT AREA AND SCHEDULE**

Cookie Co.™ Franchising, LLC, a Utah limited liability company (“we”, “us”, the “*Company*” or “*Franchisor*”) and **[AREA DEVELOPER NAME], [AREA DEVELOPER ENTITY TYPE]**, (“you” or “*Area Developer*”) have, as of **[EFFECTIVE DATE]**, entered into a certain Cookie Co.™ Area Development Agreement (“*Area Development Agreement*”) and desire to supplement its terms, as set out below.

1. The Term expires on _____, 20__.

_____ *[Area Developer’s Initials]*

2. The Development Area is geographic are described as follows and shown on the map attached hereto as Exhibit A-1:

_____ *[Area Developer’s Initials]*

3. You acknowledge and agree that you must have open and in operation in the Development Area, pursuant to Franchise Agreements, that cumulative number of Cookie Co.™ Businesses set forth below as of each of the following dates:

Cumulative Number of Cookie Co.™ Businesses	Date
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

_____ *[Area Developer’s Initials]*

For purposes hereof, no Cookie Co.™ Businesses that are open and operating as of the date of this Agreement shall be counted for purposes of the Development Schedule. In addition, a Cookie Co.™ Business that is permanently closed after having been opened, other than as result of non-compliance by you with the terms of the applicable Franchise agreement, shall be deemed open for a period of six months after the last day it was open for business, provided that: (i) during this period of time, you continuously and diligently take such actions as may be required to develop and open a substitute Cookie Co.™ Business within the Development Area pursuant to a new Franchise Agreement therefore; and (ii) by the end of this period you have the substitute Cookie Co.™ Business open and operating in compliance with the Franchise Agreement therefore.

_____ *[Area Developer’s Initials]*

4. The Development Fee shall be \$_____ and is determined by multiplying Fifteen Thousand Dollars (\$15,000) by the total number of Franchise Agreements to be entered into pursuant to this Agreement (the "***Development Fee***").

_____ ***[Area Developer's Initials]***

(Signatures on following page)

IN WITNESS WHEREOF, the undersigned have signed this Agreement on the date first above written.

FRANCHISOR

COOKIE CO.™ Franchising, LLC
a Utah limited liability company

By: CV Holdings, LC, a Utah limited liability
company, its manager

By: _____
Print Name: _____
Title: _____

AREA DEVELOPER

**[AREA DEVELOPER NAME],
[AREA DEVELOPER ENTITY
TYPE]**

By: _____
Print Name: **[AREA DEVELOPER
SIGNATORY]**
Title: _____

**EXHIBIT A-1
DEVELOPMENT AREA MAP**

(attach)

EXHIBIT B
OWNERSHIP ADDENDUM TO AREA DEVELOPMENT AGREEMENT

Cookie Co.™ Franchising, LLC, a Utah limited liability company (“we”, “us”, the “*Company*” or “*Franchisor*”) and **[AREA DEVELOPER NAME], [AREA DEVELOPER ENTITY TYPE]** (“you” or “*Area Developer*”) have, as of **[EFFECTIVE DATE]**, entered into a certain Cookie Co.™ Area Development Agreement (“Area Development Agreement”) and desire to supplement its terms, as set out below. The parties therefore agree as follows:

1. **Operating Partner.** The name, home address, and social security number of the Operating Partner are as follows:

<u>NAME</u>	<u>HOME ADDRESS</u>	<u>SSN</u>
_____	_____	_____

2. **Entity Type of Area Developer.** Area Developer is a [limited liability company / corporation / general partnership / limited partnership], which was [organized/formed] on the ___ day of _____, 20____, under the laws of the State of _____. Its Federal Employer Identification Number is _____. It has not conducted business under any name other than its [company/corporate/partnership] name. The following is a list of all of Area Developer’s [directors, officers or managers / general partners] as of **[EFFECTIVE DATE]**.

<u>NAME OF [DIRECTOR/OFFICER/MANAGER/GENERAL PARTNER]</u>	<u>POSITION</u>
_____	_____
_____	_____
_____	_____

3. **Owners.** Area Developer and each of its Owners represents and warrants that the following is a complete and accurate list of all Owners of Area Developer, including the full name, mailing address, and social security number of each Owner, and fully describes the nature and extent of each Owner’s interest in Area Developer. Area Developer and each Owner as to his/her ownership interest in Area Developer, represents and warrants that each Owner is the sole and exclusive legal beneficial owner of his/her ownership interest in Area Developer, free and clear of all liens, restrictions, agreements and encumbrances of any kind or nature, other than those required or permitted by the Agreement.

<u>OWNER’S NAME</u>	<u>SSN</u>	<u>OWNER’S ADDRESS</u>	<u>OWNERSHIP PERCENTAGE</u>
[OWNER #1]	_____	_____	_____
[OWNER #2]	_____	_____	_____
[OWNER #3]	_____	_____	_____

4. **Change.** You must immediately notify us in writing of any change in the information contained in this Addendum and, at our request, prepare and sign a new Addendum containing the correct information.
5. **Date of Addendum.** The date of this Addendum is **[EFFECTIVE DATE]**.

(Signatures on following page)

IN WITNESS WHEREOF, the undersigned have signed this Agreement on the date first above written.

FRANCHISOR:

COOKIE CO.™ Franchising, LLC,
a Utah limited liability company

By: CV Holdings, LC, a Utah limited liability
company, its manager

By: _____
Print Name: _____
Title: _____

AREA DEVELOPER:

**[AREA DEVELOPER NAME],
[AREA DEVELOPER ENTITY
TYPE]**

By: _____
Print Name: **[AREA DEVELOPER
SIGNATORY]**
Title: _____

OWNERS:

Signed: _____
Print Name: **[OWNER #1]**

Signed: _____
Print Name: **[OWNER #2]**

Signed: _____
Print Name: **[OWNER #3]**

EXHIBIT C GUARANTY

In consideration of, and as an inducement to, the signing of a Cookie Co.™ Area Development Agreement dated **[EFFECTIVE DATE]** (the “*Agreement*”) by and between Cookie Co.™ Franchising, LLC, a Utah limited liability company (“*Franchisor*”) and **[AREA DEVELOPER NAME]**, **[AREA DEVELOPER ENTITY TYPE]** (“*Area Developer*”), each of the undersigned owners of a ten percent (10%) or greater interest in Area Developer for themselves, their heirs, legal representatives, successors and assigns (each a “*Guarantor*”, and collectively the “*Guarantors*”) do hereby personally, unconditionally, individually, jointly and severally: (1) guarantee to Franchisor and to its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that Area Developer shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement (and any modification or amendment to the Agreement) including the payment of all continuing license fees, marketing fees and all other fees and charges accruing pursuant to the Agreement and that each and every representation of Area Developer made in connection with the Agreement (and any modification or amendment to the Agreement) are true, correct and complete in all respects at and as of the time given; and (2) agree personally to be bound by, and personally liable for the breach of, each and every provision in the Agreement (and any modification or amendment to the Agreement).

Each of the Guarantors further agrees as follows:

1. The Guarantors, individually, jointly and severally, shall be personally bound by each and every condition and term contained in the Agreement as though each of the Guarantors had signed an area development agreement containing the identical terms and conditions of the Agreement, including the provisions relating to confidentiality and non-competition covenants. This Guaranty shall continue in favor of Franchisor notwithstanding any extension, modification, or alteration of the Agreement, and notwithstanding any assignment of the Agreement, with or without the Franchisor’s consent. No extension, modification, alteration or assignment of the Agreement shall in any manner release or discharge the Guarantors, and each of the Guarantors consents to any such extension, modification, alteration or assignment.

2. Each Guarantor’s liability under this Guaranty is primary and independent of the liability of Area Developer and any other Guarantors. Each Guarantor waives any right to require Franchisor to proceed against any other person or to proceed against or exhaust any security held by Franchisor at any time or to pursue any right of action accruing to Franchisor under the Agreement. Franchisor may proceed against each Guarantor and Area Developer, jointly and severally or may, at its option, proceed against each Guarantor without having commenced any action, or having obtained any judgment, against Area Developer or any other Guarantor. Each Guarantor waives the defense of the statute of limitations in any action under this Guaranty or for the collection of any indebtedness or the performance of any obligation guaranteed pursuant to this Guaranty. Each Guarantor waives any right that the undersigned may have to require that an action be brought against Area Developer or any other person as a condition of liability. Each Guarantor waives any and all other notices and legal or equitable defenses to which the undersigned may be entitled.

3. The Guarantors unconditionally, individually, jointly and severally agree to pay all attorneys’ fees and all costs and other expenses incurred in any collection or attempted collection of this Guaranty or in any negotiations relative to the obligations guaranteed or in enforcing this Guaranty against Area Developer.

4. Each Guarantor waives notice of any demand by Franchisor, any notice of default in the payment of any amounts contained or reserved in the Agreement (and any modification or amendment to the Agreement), or any other notice of default or nonperformance of any obligations under the Agreement. Each Guarantor waives protest and notice of default to any party with respect to indebtedness, default or

nonperformance of any obligations under the Agreement (and any modification or amendment to the Agreement).

Each Guarantor expressly agrees that the validity of this Guaranty and its obligations shall in no way be terminated, affected or impaired by reason of any waiver by Franchisor, or its successors or assigns, or the failure of Franchisor to enforce any of the terms, covenants or conditions of the Agreement or this Guaranty, or the granting of any indulgence or extension of time to Area Developer, all of which may be given or done without notice to the Guarantors.

5. This Guaranty shall extend, in full force and effect, to any assignee or successor of Franchisor and shall be binding upon the Guarantors and each of their respective successors and assigns.

6. Until all obligations of Area Developer to Franchisor have been paid or satisfied in full, the Guarantors have no remedy or right of subrogation and each Guarantor waives any right to enforce any remedy which Franchisor has or may in the future have against Area Developer and any benefit of, and any right to participate in, any security now or in the future held by Franchisor.

7. All existing and future indebtedness of Area Developer to each Guarantor is hereby subordinated to all indebtedness and other monetary obligations guaranteed in this Guaranty and, without the prior written consent of Franchisor, shall not be paid in whole or in part to any Guarantor, nor will any Guarantor accept any payment of or on account of any this indebtedness while this Guaranty is in effect, unless at the time of this payment, all indebtedness and other monetary obligations to Franchisor are current under the terms of the Agreement.

8. Each Guarantor consents and agrees that the undersigned shall render any payment or performance required under this Guaranty shall be joint and several. This liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which the Franchisor may periodically grant to Area Developer or to any other person including the acceptance of any partial payment or performance or the compromise or release of any claims, none of which shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable until satisfied in full.

9. Each Guarantor waives acceptance and notice of acceptance by Franchisor of the foregoing undertakings. Each Guarantor waives notice of any amendment to the Agreement.

10. Each Guarantor hereby acknowledges that Franchisor or its affiliates may perform inquiries into each Guarantor's credit history for purposes of enforcing or maintaining its rights under this Guaranty. Each Guarantor hereby authorizes, without reservation, all government agencies, institutions, information service bureaus, consumer reporting agencies, and other public records providers contacted by Franchisor or its affiliates to furnish such information upon request.

You and your owners irrevocably submit to the jurisdiction of the courts of the State of Utah in any suit, action or proceeding, arising out of or relating to this Guaranty or any other dispute between you and us, and you irrevocably agree that all claims in respect of any such suit, action or proceeding must be brought and/or defended except with respect to matters that are under the exclusive jurisdiction of the federal courts of the United States, which shall be brought and/or defended in the federal district court sitting in Salt Lake City, Utah. You irrevocably waive, to the fullest extent you may lawfully do so, the defense of an inconvenient forum to the maintenance of this suit, action, or proceeding and agree that service of process for purposes of any such suit, action, or proceeding need not be personally served or served within the State of Utah, by certified mail or any other means permitted by law addressed to you at the address set forth herein. Nothing contained herein shall affect our rights to bring a suit, action or proceeding in any other appropriate jurisdiction, including any suit, action or proceeding brought by us to enforce any judgment against you entered by a state or federal court.

(Signatures on following page)

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his/her signature to be effective as of **[EFFECTIVE DATE]**.

GUARANTORS

Signed: _____

Print Name: **[OWNER #1]**

Signed: _____

Print Name: **[OWNER #2]**

Signed: _____

Print Name: **[OWNER #3]**

EXHIBIT D
INVESTOR PERSONAL COVENANTS REGARDING
CONFIDENTIALITY & NON-COMPETITION

In conjunction with your investment in **[AREA DEVELOPER NAME]**, **[AREA DEVELOPER ENTITY TYPE]** (“Area Developer”), you (“*Investor*” or “*you*”), acknowledge and agree as follows for the benefit of Cookie Co.TM Franchising, LLC, a Utah limited liability company (“*Cookie Co.*TM”):

1. Area Developer owns and operates, or is developing, Cookie Co.TM Businesses located or to be located in or about **[DEVELOPMENT AREA]** pursuant to an Area Development Agreement dated **[EFFECTIVE DATE]** (“*Area Development Agreement*”) with Cookie Co.TM, which Area Development Agreement requires persons with legal or beneficial ownership interests in Area Developer under certain circumstances to be personally bound by the confidentiality and non-competition covenants contained in the Area Development Agreement. All capitalized terms contained herein shall have the same meaning set forth in the Area Development Agreement.
2. You own or intend to own the percentage legal or beneficial ownership interest in Area Developer, set forth beneath your signature below, and acknowledge as set forth below your signature and agree that your signing of this Agreement is a condition to such ownership interest and that you have received good and valuable consideration for signing this Agreement. Cookie Co.TM may enforce this Agreement directly against you and your Owners (as defined below).
3. If you are a corporation, partnership, limited liability company or other entity, all persons who have a legal or beneficial interest in you (“*Owners*”) must also sign this Agreement.
4. You and your Owners, if any, may gain access to parts of Cookie Co.TM’s Confidential Information (as defined in the Area Development Agreement) as a result of investing in Area Developer. The Confidential Information is proprietary and includes Cookie Co.TM’s trade secrets. You and your Owners hereby agree that while you and they have a legal or beneficial ownership interest in Area Developer and thereafter you and they: (a) will not use the Confidential Information in any other business or capacity (this use being an unfair method of competition); (b) will maintain the confidentiality of the Confidential Information; and (c) will not make unauthorized copies of any portion of the Confidential Information disclosed in written, electronic or other form. If you or your Owners cease to have an interest in Area Developer, you and your Owners, if any, must deliver to Cookie Co.TM any of this Confidential Information in your or their possession or control.
5. During the term of the Area Development Agreement and during such time as you and your Owners, if any, have any legal or beneficial ownership interest in Area Developer, you and your Owners, if any, agree that you and they will not, without Cookie Co.TM’s written consent (which consent may be withheld at Cookie Co.TM’s discretion) directly or indirectly (such as through an affiliate or through your or their immediate families) own any legal or beneficial interest in, or render services or give advice in connection with: (a) any Competitive Business (as defined in the Area Development Agreement) located anywhere; or (b) any entity located anywhere which grants franchises, or licenses to others to operate any Competitive Business.
6. For a period of two years, starting on the earlier to occur of the date you or your Owners cease to have any legal or beneficial ownership interest in Area Developer and the effective date of termination or expiration (without renewal) of the Area Development Agreement, neither you nor any of your Owners directly or indirectly (such as through an Affiliate or through you or their immediate families) shall own a legal or beneficial interest in, or render services or give advice to: (a) any Competitive Business

operating within a radius of five miles of any Cookie Co.TM Business then in operation or under construction;(b) any entity which grants franchises or licenses other interests to others to operate any Competitive Business; or (c) recruit or hire any person who is an employee of yours, ours or of any Cookie Co.TM Business operated by us, our Affiliates or any Area Developer of ours without obtaining the employer's consent, which consent may be withheld for any reason. If you or any of your Owners fail to or refuse to abide by any of the foregoing covenants and Cookie Co.TM obtains enforcement in a judicial proceeding, the obligations under the breached covenant will continue in effect for a period of time ending two years after the date of the order enforcing the covenant.

7. You and each of your Owners expressly acknowledge the possession of skills and abilities of a general nature and the opportunity to exploit these skills in other ways, so that enforcement of the covenants contained in Paragraphs 5 and 6 above will not deprive any of you of your personal goodwill or ability to earn a living. If any covenant herein which restricts competitive activity is deemed unenforceable by virtue of its scope or in terms of geographic area, type of business activity prohibited and/or length of time, but could be rendered enforceable by reducing any part or all of it, you and we agree that it will be enforceable to the fullest extent permissible under applicable law and public policy. In addition to relief as may be available at equity or law, Cookie Co.TM may obtain in any court of competent jurisdiction any injunctive relief, including temporary restraining orders and preliminary injunctions, against conduct or threatened conduct for which no adequate remedy at law may be available or which may cause it irreparable harm. You and each of your Owners acknowledge that any violation of Paragraphs 4, 5, or 6 hereof would result in irreparable injury for which no adequate remedy at law may be available. If Cookie Co.TM files a claim to enforce this Agreement and prevails in such proceeding, you must reimburse Cookie Co.TM for all its costs and expenses, including reasonable attorneys' fees.
8. This agreement does not supersede or cancel any prior understandings and agreements you and your Owners had with respect to these matters, including any provision of the Area Development Agreement and any agreement previously entered into with Cookie Co.TM or its affiliates pertaining to confidentiality. You and your Owners have read this agreement thoroughly, understand it, and sign it freely and voluntarily.

(Signatures on following page)

IN WITNESS WHEREOF, the undersigned have signed this Agreement as of the date first above written.

INVESTOR

OWNERS

Signed: _____

Print Name: _____

Ownership of Entity: _____%

Signed: _____

Print Name: **[OWNER #1]**

Signed: _____

Print Name: **[OWNER #2]**

Signed: _____

Print Name: **[OWNER #3]**

EXHIBIT E
STATE-SPECIFIC ADDENDA TO AREA DEVELOPMENT AGREEMENT

The following modifications may supersede certain portions of the Area Development Agreement dated **[EFFECTIVE DATE]**.

The following states have statutes that may supersede the Area Development 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 (2004 Repl. Vol.)], 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 Chapter 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 Area Development Agreement in your relationship with us including the areas of termination and renewal of your franchise.

CALIFORNIA

The California Franchise Investment Law requires that a copy of all proposed agreements relating to the sale of the franchise be delivered together with the FDD.

Neither we, nor any person or franchise broker disclosed in Item 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a *et seq.*, suspending or expelling these persons from membership in this association or exchange.

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

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.

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

The Area Development Agreement requires application of the laws of the State of Utah. This provision may not be enforceable under California law.

[The following paragraph is added to ITEM 19 of the Franchise Disclosure Document:](#)

[The earnings claims figures do not reflect the costs of sales, operating expenses or other costs or expenses that must be deducted from the gross revenue or gross sales figure to obtain your net income or net profit. You should conduct an independent investigation of the costs and expenses](#)

[you will incur in operating your franchised business. Franchisees or former franchisees listed in the Franchise Disclosure Document may be one source of this information.](#)

Cookie Co.™ 's Uniform Resource Locator ("URL") address for locating its internet website is: <http://www.costavida.com>. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF CORPORATIONS at www.corp.ca.gov.

THE CALIFORNIA SECTION OF THIS ADDENDUM APPLIES ONLY TO AREA DEVELOPERS WHO ARE RESIDENTS OF CALIFORNIA OR WHO LOCATE THEIR FRANCHISES IN CALIFORNIA.

HAWAII

1. The following list reflects the status of our franchise registrations in the states which have franchise registration and/or disclosure laws:

This renewal registration is not currently effective in any state.

This proposed registration is on file with or will shortly be on file with the States of Minnesota, North Dakota, and South Dakota.

An Application/Notice of Exemption is on file or will be shortly on file with the States of California, Illinois, Indiana, New York and Washington.

There are no states which have revoked or suspended the right to offer these franchises.

2. The Area Development Agreement has been amended as follows:

The Hawaii Franchise Investment Law provides rights to the Area Developer concerning non-renewal, termination and transfer of the Area Development Agreement. If the Area Development Agreement, and more specifically, Sections 2, 8 and 9 contain a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control.

Section 8(B)(8) of the Area Development Agreement requires Area Developers to sign a general release as a condition of transfer of the Area Development Agreement; this release shall exclude claims arising under the Hawaii Franchise Investment Law.

Section 9A(i) of the Area Development Agreement, which terminates the Area Development Agreement upon the bankruptcy of the Area Developer may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).

3. The Receipt Pages are amended to add the following:

THIS AREA DEVELOPMENT AGREEMENT WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE AREA

DEVELOPER, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS BEFORE THE SIGNING BY THE PROSPECTIVE AREA DEVELOPER, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS BEFORE THE PAYMENT OF ANY CONSIDERATION BY THE AREA DEVELOPER, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE AREA DEVELOPMENT AGREEMENT AND THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE AREA DEVELOPER.

THE HAWAII SECTION OF THIS ADDENDUM APPLIES ONLY TO AREA DEVELOPERS WHO ARE RESIDENTS OF HAWAII OR WHO LOCATE THEIR FRANCHISES IN HAWAII.

ILLINOIS

THE AREA DEVELOPMENT AGREEMENT MAY STATE THAT YOU MUST MEET CERTAIN MINIMUM PERFORMANCE SALES REQUIREMENTS. IF YOU DO NOT MEET THESE REQUIREMENTS YOUR AREA DEVELOPMENT AGREEMENT CAN BE TERMINATED BY COOKIE CO.™. This provision may be affected by Illinois Law, 815 ILCS §§ 705/4 and 705/41.

Section 9 of the Area Development Agreement is amended, if required by law, to state:

“The conditions under which your franchise can be terminated and your rights upon non-renewal may be affected by Illinois Law, 815 ILCS §§ 705/19 and 705/20.”

Sections 11 and 12F and any other choice of law, venue and jurisdictions provisions in the Area Development Agreement are amended, if required by law, to include the following:

“Provisions regarding jurisdiction and venue and choice of law may be affected by Illinois law, 815 ILCS §§ 705/4 and 705/41, respectively.”

“Notwithstanding anything in this Agreement to the contrary, EXCEPT IF GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.) OR OTHER FEDERAL LAW OR MATTERS ARISING UNDER SECTION 4 OF THE ILLINOIS FRANCHISE DISCLOSURE ACT WHICH SHALL BE GOVERNED THEREBY, THIS AGREEMENT, THE FRANCHISE AND THE RELATIONSHIP BETWEEN COMPANY AND AREA DEVELOPER SHALL BE GOVERNED BY THE LAWS OF THE STATE OF UTAH, EXCEPT THAT (A) THE UTAH BUSINESS OPPORTUNITY DISCLOSURE ACT AND ANY OTHER STATE LAW RELATING TO (1) THE OFFER AND SALE OF FRANCHISES, (2) FRANCHISE RELATIONSHIPS OR (3) BUSINESS OPPORTUNITIES, SHALL NOT APPLY UNLESS THE APPLICABLE JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS PARAGRAPH; and (B) THE ENFORCEABILITY OF THOSE PROVISIONS OF THIS AGREEMENT WHICH RELATE TO RESTRICTIONS ON YOUR COMPETITIVE ACTIVITIES WILL BE GOVERNED BY THE LAWS OF THE STATE IN WHICH YOUR BUSINESS IS LOCATED.”

SPECIFICALLY, PROVISIONS REGARDING JURISDICTION AND VENUE AND CHOICE OF LAW MAY BE AFFECTED BY ILLINOIS LAW, 815 ILCS §§ 705/4 AND 705/41, RESPECTIVELY, AND RULE SECTION 200.608 OF THE RULES AND REGULATIONS PROMULGATED PURSUANT TO THE ILLINOIS FRANCHISE DISCLOSURE ACT.”

No provision in the Area Development Agreement shall be construed to mean that you may not rely on representations in the Cookie Co.[™] Disclosure Document that we provided to you in connection with the offer and purchase of your franchise.

Section 41 of the Illinois Franchise Disclosure Act states that “any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act is void.”

THE ILLINOIS SECTION OF THIS ADDENDUM APPLIES ONLY TO AREA DEVELOPERS WHO ARE RESIDENTS OF ILLINOIS OR WHO LOCATE THEIR FRANCHISES IN ILLINOIS.

MARYLAND

The Disclosure Document is amended to state:

“Cookie Co.[™] has not registered the trademark, servicemark/logo in the State of Maryland. You must register the name “Cookie Co.[™] Association” as a dba for the entity operating the franchise in the state where the franchise marketing area is located.”

Section 8(B)(8) of the Area Development Agreement is amended to state:

“Any release signed in connection with the Area Development Agreement is not intended to, nor shall it act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.”

Sections 11 and 12(F) of the Area Development Agreement are amended to state:

“Notwithstanding anything in this Agreement to the contrary, EXCEPT IF GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.) OR OTHER FEDERAL LAW OR MATTERS ARISING UNDER THE MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW WHICH SHALL BE GOVERNED THEREBY, THIS AGREEMENT AND THE RELATIONSHIP BETWEEN YOU AND US WILL BE GOVERNED BY THE LAWS OF THE STATE OF UTAH, EXCEPT THAT THE UTAH BUSINESS OPPORTUNITY DISCLOSURE ACT AND ANY OTHER STATE LAW RELATING TO (1) THE OFFER AND SALE OF FRANCHISES, (2) FRANCHISE RELATIONSHIPS, OR (3) BUSINESS OPPORTUNITIES, WILL NOT APPLY UNLESS THE APPLICABLE JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS PARAGRAPH. YOU MAY BRING A LAWSUIT IN MARYLAND FOR CLAIMS ARISING UNDER THE MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW.”

“Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of your franchise.”

“Any limitation of claims provisions shall not act to reduce the three year statute of limitations afforded an Area Developer for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law.”

The Disclosure Document and Area Development Agreement are amended as follows:

“Any provision in the Area Development Agreement restricting jurisdiction or venue to a forum outside of Maryland or requiring the application of the laws of another state is void with respect to a claim arising under the Maryland Franchise Registration and Disclosure Law.”

“Any claims under the Maryland Franchise Registration and Disclosure law may be brought in the State of Maryland.”

“Pursuant to COMAR 02.02.0816L, the general release required as a condition of renewal, sale and/or assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.”

“Any provision in the Area Development Agreement or the agreements attached as appendices that requires you to disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Maryland Franchise Registration and Disclosure Law is not intended to nor will it act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.”

“Your acknowledgement and representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.”

THE MARYLAND SECTION OF THIS ADDENDUM APPLIES ONLY TO AREA DEVELOPERS WHO ARE RESIDENTS OF MARYLAND OR WHO LOCATE THEIR FRANCHISES IN MARYLAND.

MICHIGAN

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.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (a) A prohibition on your right to join an association of franchisees.
- (b) A requirement that you assent to a release, assignment, novation, waiver, or estoppel which deprives you of rights and protections provided in this act. This shall not preclude you, after entering into an Area Development Agreement, from settling any and all claims.
- (c) A provision that permits us to terminate a franchise before the expiration of its term except for good cause. Good cause shall include your failure to comply with any lawful provision of the Area Development Agreement and to cure this failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure this failure.

- (d) A provision that permits us to refuse to renew your franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to us and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) you are 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 you do not receive at least 6 months advance notice of our intent not to renew the franchise.
- (e) A provision that permits us to refuse to renew an Area Development Agreement on terms generally available to other area developers of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude you from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits us to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent us from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) The failure of the proposed transferee to meet our then-current reasonable qualifications or standards.
 - (ii) The fact that the proposed transferee is a competitor of us or our subfranchisor.
 - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
 - (iv) You or your proposed transferee's failure to pay any sums owing to us or to cure any default in the Area Development Agreement existing at the time of the proposed transfer.
- (h) A provision that requires you to resell to us items that are not uniquely identified with us. This subdivision does not prohibit a provision that grants to us 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 us the right to acquire the assets of a franchise for the market or appraised value of these assets if you have breached the lawful provisions of the Area Development Agreement and have failed to cure the breach in the manner provided in subdivision (c).
- (i) A provision which permits us to directly or indirectly convey, assign, or otherwise transfer our obligations to fulfill contractual obligations to you unless provision has been made for providing the required contractual services.

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.

ESCROW REQUIREMENTS (IF ANY): _____

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
Consumer Protection Division
Attn: Franchise
670 Law Building
Lansing, Michigan 48913
Telephone Number: (517) 373-7117

THE MICHIGAN SECTION OF THIS ADDENDUM APPLIES ONLY TO AREA DEVELOPERS WHO ARE RESIDENTS OF MICHIGAN OR WHO LOCATE THEIR FRANCHISES IN MICHIGAN.

MINNESOTA

If required by law, the Area Development Agreement is modified as follows:

Any release signed in connection with the Area Development Agreement shall not apply to any claims arising under Minnesota Statutes 1973 Supplement, Sections 80C.01 to 80C.22, providing that an area developer cannot be required to assent to a release, assignment, or waiver that would relieve any person from liability imposed by such statutes; provided, however that this shall not bar the voluntary settlement of disputes.

With respect to the franchises governed by Minnesota law, we will comply with Minnesota Statutes Sec. 80C.14, subdivisions 3, 4 and 5 which require, except in certain specific cases, that we give you 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Area Development Agreement. If Franchisor fails to give notice, the Area Development Agreement shall remain in effect from month to month until Franchisor has given the required notice.

Minnesota Statutes Sec. 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Area Development Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to a jury trial or any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Minnesota Rule 2860.4400J also prohibits us from asking you to consent to the Franchisor obtaining injunctive relief. We may merely seek injunctive relief. Also, it is up to a court to determine if a bond is required.

Provided that you are in compliance with the terms and conditions of the Area Development Agreement, we will comply with Minnesota Statutes Sec. 80C.12, Subd.1(g) which requires that the franchisor protect the area developer's right to use the trademarks, service marks, tradenames, logotypes or other commercial symbols and/or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

We will also comply with the requirements of Minnesota Statutes Sec. 80C.17, Subd. 5, which requires that any action commenced under Section 80C.17 be commenced within 3 years after the cause of action accrues.

THE MINNESOTA SECTION OF THIS ADDENDUM APPLIES ONLY TO AREA DEVELOPERS WHO ARE RESIDENTS OF MINNESOTA OR WHO LOCATE THEIR FRANCHISES IN MINNESOTA.

NORTH DAKOTA

Sections of the Disclosure Document and Area Development Agreement providing for resolution of disputes to be outside North Dakota may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly if required by law.

Sections of the Disclosure Document and Area Development Agreement relating to choice of law, may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly if required by law.

Sections of the Disclosure Document and Area Development Agreement requiring you to sign a general release upon renewal of the Area Development Agreement may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly if required by law.

Sections of the Disclosure Document and Area Development Agreement stipulating that you shall pay all costs and expenses incurred by us in enforcing the Area Development Agreement may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly if required by law.

Sections of the Area Development Agreement requiring you to consent to a waiver of trial by jury may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended if required by law.

Sections of the Area Development Agreement requiring you to consent to a waiver of exemplary and punitive damages may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended if required by law.

THE NORTH DAKOTA SECTION OF THIS ADDENDUM APPLIES ONLY TO AREA DEVELOPERS WHO ARE RESIDENTS OF NORTH DAKOTA OR WHO LOCATE THEIR FRANCHISES IN NORTH DAKOTA.

RHODE ISLAND

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.” The Area Development Agreement is amended accordingly if required by law.

THE RHODE ISLAND SECTION OF THIS ADDENDUM APPLIES ONLY TO AREA DEVELOPERS WHO ARE RESIDENTS OF RHODE ISLAND OR WHO LOCATE THEIR FRANCHISES IN RHODE ISLAND.

VIRGINIA

Pursuant to § 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Area Development Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Area Development Agreement does not constitute “reasonable cause”, as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

THE VIRGINIA SECTION OF THIS ADDENDUM APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF VIRGINIA OR WHO LOCATE THEIR FRANCHISES IN VIRGINIA.

WASHINGTON

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator, if required by Washington law.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW, shall prevail.

A release or waiver of rights signed by you shall not include rights under the Washington Franchise Investment Protection Act except when signed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act may not be enforceable and are amended if required by law.

Transfer fees are collectable if that they reflect our reasonable estimated or actual costs in effecting a transfer, if required by Washington law.

In addition to the rights and responsibilities enumerated in the Area Development Agreement concerning termination and non-renewal, Washington State residents have certain rights under the Washington Franchise Investment Protection Act.

THE WASHINGTON SECTION OF THIS ADDENDUM APPLIES ONLY TO AREA DEVELOPERS WHO ARE RESIDENTS OF WASHINGTON OR WHO LOCATE THEIR FRANCHISES IN WASHINGTON.

WISCONSIN

Item 17 of the Disclosure Document is amended to add the following:

The Wisconsin Fair Dealership Law Title XIV-A Ch. 135, Section 135.01-135.07 may affect the termination provision of the Franchise Agreement and the Area Development Agreement.

THE WISCONSIN SECTION OF THIS ADDENDUM APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF WISCONSIN OR WHO LOCATE THEIR FRANCHISES IN WISCONSIN.

ACKNOWLEDGMENT:

It is agreed that the applicable foregoing state law addendum, if any, supersedes any inconsistent portion of the Area Development Agreement dated **[EFFECTIVE DATE]**. Except in the State of Maryland, this State Addenda applies only if required by applicable state law.

DATED **[EFFECTIVE DATE]**.

FRANCHISOR

COOKIE CO.™ Franchising, LLC,
a Utah limited liability company

By: CV Holdings, LC, a Utah limited liability
company, its manager

By: _____
Print Name: _____
Title: _____

AREA DEVELOPER

**[AREA DEVELOPER NAME],
[AREA DEVELOPER ENTITY
TYPE]**

By: _____
Print Name: **[AREA DEVELOPER
SIGNATORY]**
Title: _____

OWNERS/MANAGERS:

Signed: _____
Print Name: **[OWNER #1]**

Signed: _____
Print Name: **[OWNER #2]**

Signed: _____
Print Name: **[OWNER #3]**

[MUST BE SIGNED BY ALL OWNERS AND MANAGERS OF AN ENTITY AREA DEVELOPER]

EXHIBIT E

COOKIE CO.™ OPERATIONS MANUAL TABLE OF CONTENTS

**COOKIE CO.™ OPERATIONS MANUAL
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EXHIBIT F
FINANCIAL STATEMENTS

Cookie Corner Franchise, LLC

Unaudited Balance Sheet

As of August 1, 2021

Sanderson & Co.
Post Office Box 564
West Jordan, UT 84084

Cookie Corner Franchise, LLC
Balance Sheet - Assets
(Unaudited)
As of August 1, 2021

Current Assets		
Cash	\$	645
Deposits due		<u>25,000</u>
Total Current Assets		\$ 25,645
Franchise Assets		
Recipe IP		<u>150,000</u>
Total Franchise Assets		150,000
Other Assets		
Amount due from member		75,000
Capitalized organization costs		<u>31,245</u>
		<u>31,245</u>
Total Assets		<u><u>\$ 206,890</u></u>

UNAUDITED - For discussion purposes only.

Cookie Corner Franchise, LLC
Balance Sheet - Liabilities and Equity
(Unaudited)
As of August 1, 2021

Current Liabilities	
Accounts payable	<u>14,500</u>
Total Current Liabilities	\$ 14,500
Long - Term Debt	
Notes payable	<u>-</u>
Total Liabilities	-
Member's Equity	
Member's equity	192,390
Member distributions	<u>-</u>
Total Member's Equity	<u>192,390</u>
Total Liabilities and Equity	<u><u>\$ 206,890</u></u>

UNAUDITED - For discussion purposes only.

EXHIBIT G

**STATE SPECIFIC ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT
AND FRANCHISE AGREEMENT**

STATE SPECIFIC ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

The following modifications are to the Cookie Co.™ Franchising, LLC Franchise Disclosure Document and may supersede certain portions of any Franchise Agreement contemplated thereby.

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 (2004 Repl. Vol.)], 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-51], 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 and the Area Development Agreement in your relationship with us including the areas of termination and renewal of your franchise.

Provisions in the Franchise Agreement and the Area Development Agreement that provide for termination upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

CALIFORNIA

The California Franchise Investment Law requires that a copy of all proposed agreements relating to the sale of the franchise be delivered together with the Disclosure Document.

Neither we, nor any person or franchise broker disclosed in Item 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling these persons from membership in this association or exchange.

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

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.

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.

The Franchise Agreement requires application of the laws of the State of Utah. This provision may not be enforceable under California law.

The following paragraph is added to ITEM 19 of this Franchise Disclosure Document:

The earnings claims figures do not reflect the costs of sales, operating expenses or other costs or expenses that must be deducted from the gross revenue or gross sales figure to obtain your net income or net profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business. Franchisees or former franchisees listed in the Franchise Disclosure Document may be one source of this information.

Cookie Co.TM's Uniform Resource Locator ("URL") address for locating its internet website is: http://www._____.com. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF CORPORATIONS at www.corp.ca.gov.

THE CALIFORNIA SECTION OF THIS ADDENDUM APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF CALIFORNIA OR WHO LOCATE THEIR FRANCHISES IN CALIFORNIA.

HAWAII

1. The following list reflects the status of our franchise registrations in the states which have franchise registration and/or disclosure laws:

This renewal registration is not currently effective in any state.

This proposed registration is on file with or will shortly be on file with the States of Minnesota, North Dakota, and South Dakota.

An Application/Notice of Exemption is on file or will be shortly on file with the states of California, Illinois, Indiana, New York and Washington.

There are no states which have revoked or suspended the right to offer these franchises.

2. The Franchise Agreement has been amended as follows:

The Hawaii Franchise Investment Law provides rights to the franchisee concerning non-renewal, termination and transfer of the Franchise Agreement. If the Franchise Agreement, and more specifically, Sections 2(C), 13, and 14 contain a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control.

Sections 2(C)(ii) and 13(C)(vii) of the Franchise Agreement require you to sign a general release as a condition of renewal and transfer of the franchise; such release shall exclude claims arising under the Hawaii Franchise Investment Law.

Section 13A(i) of the Franchise Agreement, which terminates the Franchise Agreement upon the bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).

3. The Receipt Pages are amended to add the following:

THIS FRANCHISE WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS BEFORE THE SIGNING BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS BEFORE THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS FRANCHISE DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT AND THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

THE HAWAII SECTION OF THIS ADDENDUM APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF HAWAII OR WHO LOCATE THEIR FRANCHISES IN HAWAII.

ILLINOIS

THE FRANCHISE AGREEMENT STATES THAT YOU MUST MEET CERTAIN MINIMUM PERFORMANCE SALES REQUIREMENTS. IF YOU DO NOT MEET THESE REQUIREMENTS YOUR FRANCHISE AGREEMENT CAN BE TERMINATED BY COOKIE CO.™. This provision may be affected by Illinois Law, 815 ILCS §§ 705/4 and 705/41.

Item 17 of the Disclosure Document and Sections 2C and 14A of the Franchise Agreement are amended, if required by law, to state:

“The conditions under which your franchise can be terminated and your rights upon non-renewal may be affected by Illinois Law, 815 ILCS §§ 705/19 and 705/20.”

Item 17 of the Disclosure Document and Sections 17 and 18D and any other choice of law, venue and jurisdictions provisions in the Franchise Agreement are amended, if required by law, to include the following:

“Provisions regarding jurisdiction and venue and choice of law may be affected by Illinois law, 815 ILCS §§ 705/4 and 705/41, respectively.”

“Notwithstanding anything in this Agreement to the contrary, EXCEPT IF GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES

TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.) OR OTHER FEDERAL LAW OR MATTERS ARISING UNDER SECTION 4 OF THE ILLINOIS FRANCHISE DISCLOSURE ACT WHICH SHALL BE GOVERNED THEREBY, THIS AGREEMENT, THE FRANCHISE AND THE RELATIONSHIP BETWEEN COMPANY AND FRANCHISEE SHALL BE GOVERNED BY THE LAWS OF THE STATE OF UTAH, EXCEPT THAT (A) THE UTAH BUSINESS OPPORTUNITY DISCLOSURE ACT AND ANY OTHER STATE LAW RELATING TO (1) THE OFFER AND SALE OF FRANCHISES, (2) FRANCHISE RELATIONSHIPS OR (3) BUSINESS OPPORTUNITIES, SHALL NOT APPLY UNLESS THE APPLICABLE JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS PARAGRAPH; and (B) THE ENFORCEABILITY OF THOSE PROVISIONS OF THIS AGREEMENT WHICH RELATE TO RESTRICTIONS ON YOUR COMPETITIVE ACTIVITIES WILL BE GOVERNED BY THE LAWS OF THE STATE IN WHICH YOUR BUSINESS IS LOCATED.”

SPECIFICALLY, PROVISIONS REGARDING JURISDICTION AND VENUE AND CHOICE OF LAW MAY BE AFFECTED BY ILLINOIS LAW, 815 ILCS §§ 705/4 AND 705/41, RESPECTIVELY, AND RULE SECTION 200.608 OF THE RULES AND REGULATIONS PROMULGATED PURSUANT TO THE ILLINOIS FRANCHISE DISCLOSURE ACT.”

No provision in the Disclosure Document or Franchise Agreement shall be construed to mean that you may not rely on representations in the Cookie Co.TM Disclosure Document that we provided to you in connection with the offer and purchase of your franchise.

Section 41 of the Illinois Franchise Disclosure Act states that “any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act is void.”

THE ILLINOIS SECTION OF THIS ADDENDUM APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF ILLINOIS OR WHO LOCATE THEIR FRANCHISES IN ILLINOIS

MARYLAND

The Disclosure Document is amended to state:

“Cookie Co.TM has not registered the trademark, servicemark/logo in the State of Maryland. You must register the name “Cookie Co.TM Association” as a dba for the entity operating the franchise in the state where the franchise marketing area is located.”

Item 17 of the Disclosure Document and Sections 2(C)(ii) and 13(C)(vii) of the Franchise Agreement are amended to state:

“Any release signed in connection with the Franchise Agreement is not intended to, nor shall it act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.”

The Disclosure Document and Sections 17 and 18(D) of the Franchise Agreement are amended to state:

“Notwithstanding anything in this Agreement to the contrary, EXCEPT IF GOVERNED BY THE FEDERAL ARBITRATION ACT, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.) OR OTHER FEDERAL LAW OR MATTERS ARISING UNDER THE MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW WHICH SHALL BE GOVERNED THEREBY, THIS AGREEMENT AND THE RELATIONSHIP BETWEEN YOU AND US WILL BE GOVERNED BY THE LAWS OF THE STATE OF UTAH, EXCEPT THAT THE UTAH BUSINESS OPPORTUNITY DISCLOSURE ACT AND ANY OTHER STATE LAW RELATING TO (1) THE OFFER AND SALE OF FRANCHISES, (2) FRANCHISE RELATIONSHIPS, OR (3) BUSINESS OPPORTUNITIES, WILL NOT APPLY UNLESS THE APPLICABLE JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS PARAGRAPH. YOU MAY BRING A LAWSUIT IN MARYLAND FOR CLAIMS ARISING UNDER THE MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW.”

“Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of your franchise.”

“Any limitation of claims provisions shall not act to reduce the three year statute of limitations afforded a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law.”

The Disclosure Document and Franchise Agreement are amended as follows:

“Any provision in the Franchise Agreement restricting jurisdiction or venue to a forum outside of Maryland or requiring the application of the laws of another state is void with respect to a claim arising under the Maryland Franchise Registration and Disclosure Law.”

“Any claims under the Maryland Franchise Registration and Disclosure law may be brought in the State of Maryland.”

“Pursuant to COMAR 02.02.0816L, the general release required as a condition of renewal, sale and/or assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.”

“Any provision in the Disclosure Document or Franchise Agreement or the agreements attached as appendices that requires you to disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Maryland Franchise Registration and Disclosure Law is not intended to nor will it act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.”

“Your acknowledgement and representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.”

THE MARYLAND SECTION OF THIS ADDENDUM APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MARYLAND OR WHO LOCATE THEIR FRANCHISES IN MARYLAND.

MICHIGAN

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.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (a) A prohibition on your right to join an association of franchisees.
- (b) A requirement that you assent to a release, assignment, novation, waiver, or estoppel which deprives you of rights and protections provided in this act. This shall not preclude you, after entering into a Franchise Agreement, from settling any and all claims.
- (c) A provision that permits us to terminate a franchise before the expiration of its term except for good cause. Good cause shall include your failure 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 30 days, to cure such failure.
- (d) A provision that permits us to refuse to renew your franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to us and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applied only if: (i) the term of the franchise is less than 5 years and (ii) you are 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 you do not receive at least 6 months advance notice of our intent not to renew the franchise.
- (e) A provision that permits us to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude you 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 us to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent us from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) The failure of the proposed transferee to meet our then-current reasonable qualifications or standards.
 - (ii) The fact that the proposed transferee is a competitor of us or our subfranchisor.
 - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
 - (iv) You or your proposed transferee's failure to pay any sums owing to us or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.
- (h) A provision that requires you to resell to us items that are not uniquely identified with us. This subdivision does not prohibit a provision that grants to us 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 us the right to acquire the assets of a franchise for the market or appraised value of such assets if you have breached the lawful provisions of the Franchise Agreement and have failed to cure the breach in the manner provided in subdivision (c).
- (i) A provision which permits us to directly or indirectly convey, assign, or otherwise transfer our obligations to fulfill contractual obligations to you unless provision has been made for providing the required contractual services.

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.

ESCROW REQUIREMENTS (IF ANY): _____

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
Consumer Protection Division
Attn: Franchise
670 Law Building
Lansing, Michigan 48913
Telephone Number: (517) 373-7117

THE MICHIGAN SECTION OF THIS ADDENDUM APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR WHO LOCATE THEIR FRANCHISES IN MICHIGAN.

MINNESOTA

If required by law, the Disclosure Document, Franchise Agreement, and Area Development Agreement are modified as follows:

Any release signed in connection with the Franchise Agreement shall not apply to any claims arising under Minnesota Statutes 1973 Supplement, Sections 80C.01 to 80C.22, providing that a franchisee cannot be required to assent to a release, assignment, or waiver that would relieve any person from liability imposed by such statutes; provided, however that this shall not bar the voluntary settlement of disputes.

With respect to the franchises governed by Minnesota law, we will comply with Minnesota Statutes Sec. 80C.14, subdivisions 3, 4 and 5 which require, except in certain specific cases, that we give you 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement. If Franchisor fails to give notice, the Franchise Agreement shall remain in effect from month to month until Franchisor has given the required notice.

Minnesota Statutes Sec. 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to a jury trial or any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Minnesota Rule 2860.4400J also prohibits us from asking you to consent to the Franchisor obtaining injunctive relief. We may merely seek injunctive relief. Also, it is up to a court to determine if a bond is required.

Provided that you are in compliance with the terms and conditions of the Franchise Agreement, we will comply with Minnesota Statutes Sec. 80C.12, Subd.1(g) which requires that the franchisor protect the franchisee's right to use the trademarks, service marks, tradenames, logotypes or other commercial symbols and/or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

We will also comply with the requirements of Minnesota Statutes Sec. 80C.17, Subd. 5, which requires that any action commenced under Section 80C.17 be commenced within 3 years after the cause of action accrues.

THE MINNESOTA SECTION OF THIS ADDENDUM APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MINNESOTA OR WHO LOCATE THEIR FRANCHISES IN MINNESOTA.

NEW YORK

The cover page of the Disclosure Document will be supplemented with the following, inserted at the bottom of the cover page:

REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT THE STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE NEW YORK STATE DEPARTMENT OF LAW, 120 BROADWAY, NEW YORK, NEW YORK 10271-0332. INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION.

WE MAY, IF WE CHOOSE, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. HOWEVER, WE CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON YOU TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS.

As a supplement to the information disclosed in this Disclosure Document, the following additional paragraphs are added:

1. Except as disclosed in **Item 3** of the Disclosure Document, neither we, our predecessors, Affiliates or any person identified in **Item 2** of this Disclosure Document:
 - A. Has any administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) pending against it or him alleging a violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property or comparable allegations.
 - B. Has been convicted of a felony or pleaded *nolo contendere* to a felony charge or within the ten year period immediately preceding the application for registration, been convicted of a misdemeanor or pleaded *nolo contendere* to a misdemeanor charge or been held liable in a civil action by final judgment or been the subject of a material complaint or other legal proceeding if such misdemeanor conviction or charge or civil action, complaint or other legal proceeding involved violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property or comparable allegations.
 - C. Is subject to any currently effective injunctive or restrictive order or decree relating to franchises or under any federal, state, or Canadian franchise, securities, antitrust, trade regulation, trade practice law, or any national securities association or national securities exchange (as defined in the Securities and Exchange Act of 1934) suspending or expelling such person from membership in such association or exchange as a result of a concluded or pending action or proceeding brought by a public agency.

2. Except as disclosed in **Item 4** of the Disclosure Document, during the ten year period immediately preceding the date of this Disclosure Document, neither we, our predecessors, Affiliates or any person identified in **Item 2** of this Disclosure Document has been adjudged bankrupt or reorganized due to insolvency or been a principal officer of any company or a general partner in any partnership at or within 1 year of the time that such company or partnership was adjudged bankrupt or reorganized due to insolvency or is otherwise subject to any pending bankruptcy or reorganization proceeding.
3. You will not be required to indemnify us for any claims arising out of a breach of the Franchise Agreement by us or other civil wrongs committed by us.
4. We will not assign any of our rights under the Franchise Agreement except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under the Franchise Agreement.
5. Any release signed in connection with the Franchise Agreement is subject to the proviso that all rights enjoyed by you and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of Sections 687.4 and 687.5 of the General Business Law of New York State be satisfied.
6. You may terminate the Franchise Agreement and any ancillary agreements upon any other grounds available by law.
7. The summary in **Items 17.w.**, Choice of Law, is amended to state the following:

Utah law applies unless governed by applicable federal law. The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon Franchisee by the General Business Law of the State of New York.

The following modifications are made to the Franchise Agreement:

1. The following sentence is added to the end of Section 4(E): “Franchisor will make no changes to the Operations Manual that would impose an unreasonable economic burden on Franchisee or unreasonably increase Franchisee’s obligations.”
2. Section 13A is amended by adding the following to the end of that Section: “However, Franchisor will make no transfer or assignment except to a transferee or an assignee who, in our good faith judgment, is willing and able to assume Franchisor’s obligations under this Agreement.”
3. The following is added at the end of Sections 2(C)(ii) and 13(C)(vii): “; provided, however, that any release shall not apply to any claims arising under the provisions of Article 33 of the General Business Law of the State of New York.”
4. The following is added to the end of the first sentence of Section 16(B): “Notwithstanding the foregoing, Franchisee will not be required to indemnify Franchisor for any claims arising out of a breach of the Agreement by us or other civil wrongs of us.”

5. The following is added to the end of Section 18(E): “Franchisor will seek no issuance of injunctive relief which would violate New York General Business Law Section 687.5.
6. The following sentence is added to the end of Sections 17 and 18(D) of the Franchise Agreement, and to and any other choice of law provisions appearing in any related documents attached as exhibits or appendices to the Franchise Agreement that are deemed to be in violation of New York law: “The choice of law provisions in this Section should not be considered a waiver of any right conferred upon Franchisor or upon the Franchisee by Article 33 of the General Business Law of the State of New York.”

THE NEW YORK SECTION OF THIS ADDENDUM APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF NEW YORK OR WHO LOCATE THEIR FRANCHISES IN NEW YORK.

NORTH DAKOTA

Sections of the Disclosure Document and Franchise Agreement providing for resolution of disputes to be outside North Dakota may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly if required by law.

Sections of the Disclosure Document and Franchise Agreement relating to choice of law, may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly if required by law.

Sections of the Disclosure Document and Franchise Agreement requiring you to sign a general release upon renewal of the Franchise Agreement may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly if required by law.

Sections of the Disclosure Document and Franchise Agreement stipulating that you shall pay all costs and expenses incurred by us in enforcing the Franchise Agreement may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly if required by law.

Sections of the Franchise Agreement requiring you to consent to a waiver of trial by jury may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended if required by law.

Sections of the Franchise Agreement requiring you to consent to a waiver of exemplary and punitive damages may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended if required by law.

THE NORTH DAKOTA SECTION OF THIS ADDENDUM APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF NORTH DAKOTA OR WHO LOCATE THEIR FRANCHISES IN NORTH DAKOTA.

RHODE ISLAND

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application

of the laws of another state is void with respect to a claim otherwise enforceable under this Act.” The Disclosure Document and Franchise Agreement are amended accordingly if required by law.

THE RHODE ISLAND SECTION OF THIS ADDENDUM APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF RHODE ISLAND OR WHO LOCATE THEIR FRANCHISES IN RHODE ISLAND.

VIRGINIA

Pursuant to § 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement or the Area Development Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement or the Area Development Agreement does not constitute “reasonable cause”, as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

THE VIRGINIA SECTION OF THIS ADDENDUM APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF VIRGINIA OR WHO LOCATE THEIR FRANCHISES IN VIRGINIA.

WASHINGTON

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

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

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

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

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

The undersigned does hereby acknowledge receipt of this addendum.

Dated this ____ day of _____ 20__.

FRANCHISOR:

THE WASHINGTON SECTION OF THIS ADDENDUM APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF WASHINGTON OR WHO LOCATE THEIR FRANCHISES IN WASHINGTON.

WISCONSIN

Item 17 of the Disclosure Document is amended to add the following:

The Wisconsin Fair Dealership Law Title XIV-A Ch. 135, Section 135.01-135.07 may affect the termination provision of the Franchise Agreement.

THE WISCONSIN SECTION OF THIS ADDENDUM APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF WISCONSIN OR WHO LOCATE THEIR FRANCHISES IN WISCONSIN.

ACKNOWLEDGMENT:

It is agreed that the applicable foregoing state law addendum, if any, supersedes any inconsistent portion of the Franchise Disclosure Document. Except in the State of Maryland, this State Addenda applies only if required by applicable state law.

DATED this _____ day of _____, 20__.

FRANCHISOR:

COOKIE CO.™ FRANCHISING, LLC

By: _____

Title: _____

FRANCHISEE

By: _____

Title: _____

By: _____

Title: _____

(MUST BE SIGNED BY ALL OWNERS AND MANAGERS OF AN ENTITY FRANCHISEE)

EXHIBIT H
DEFINITIONS

EXHIBIT H

DEFINITIONS

The terms listed below have the meanings which follow them and include the plural as well as the singular. Other terms are defined elsewhere in the Franchise Agreement and Area Development Agreement in the context in which they arise.

“Affiliate” – Any person or entity that directly or indirectly owns or controls the referenced party, that is directly or indirectly owned or controlled by the referenced party, or that is under common control with the referenced party. The term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities, by contract or otherwise.

“Affiliate-owned Business” – A Cookie Co.TM Business which an Affiliate of ours operates and in which we or our Affiliate owns a controlling interest.

“Alternative Approved Supplier” – Any supplier who has been proposed by you or by another franchisee to manufacture or provide products or Ingredients and who has been approved by us to do so in accordance with the terms of this Agreement.

“Approved Supplier” – Any supplier, including us, an Affiliate of ours or an independent third party, whom we authorize to manufacture or provide products, services or Licensed Ingredients.

“Competitive Business” - .

“Confidential Information” – Our proprietary and confidential information relating to the development and operation of Cookie Co.TM Business, including: (1) Operations Manual, Training Program Manual, and other manuals given to you, your Owners and business partners, and your Business Personnel; (2) ingredients, recipes, and methods of preparation and presentation of cookies and other food and products, including, without limitation, the Recipe Books; (3) site selection criteria for Cookie Co.TM Businesses and plans and specifications for the development of Cookie Co.TM Businesses; (4) sales, marketing, and advertising programs and techniques for Cookie Co.TM Businesses; (5) identity of suppliers and knowledge of specifications, processes, procedures, and equipment, and pricing of authorized food products, materials, supplies, and equipment; (6) knowledge of operating results and financial performance of Cookie Co.TM Businesses, other than the Cookie Co.TM Business you own; (7) methods of inventory control, storage, product handling, training and management relating to Cookie Co.TM Business; (8) computer systems and software programs used or useful in Cookie Co.TM Business including, without limitation, mobile applications and loyalty programs; and (9) any and all other information that we provide you that is labeled or considered proprietary or confidential or which would generally be regarded as confidential in the franchise-Business industry.

“Cookie Co.TM Products” – Products approved or required by us or our Affiliates for sale at or from a Cookie Co.TM Business, including cookies, baked goods and other food items, beverages, clothing, accessories, and other products approved by us or our Affiliates; provided that we have the right to modify and/or discontinue the use of the foregoing products at any time and include additional or substitute products.

“Cookie Co.TM Business” or **“Business”** – A Business featuring Cookie Co. branded cookies and other baked goods and related branded products.

“Designated Supplier” – Any supplier, including us, an Affiliate of ours or an independent third party, whom we authorize to manufacture Proprietary Ingredients and products.

“Ingredients” – ingredients from which the distinctive food products are made for Cookie Co.TM Businesses.

“Licensed Ingredients” – Those Ingredients we periodically authorize to be produced by Approved Suppliers.

“Marks” – The trademarks, trade names, service marks, logos and other commercial symbols which we authorize franchisees to use to identify Cookie Co.TM Products and/or services offered by Cookie Co.TM Businesses, including the trademark and service mark COOKIE CO.TM and the trade dress and the goodwill associated therewith; provided that we have the right to modify and/or discontinue the use of these trademarks, trade names, service marks, logos and other commercial symbols and the Trade Dress, and establish, in the future, additional or substitute trademarks, trade names, service marks, logos, commercial symbols or Trade Dress.

“Gross Revenue” – The total of all receipts derived from any source related to, or in connection with, the operation of a Cookie Co.TM Business. Without limiting the generality of the foregoing, this definition includes the following:

- all revenue accrued from the performance of services and the sale of products in, at, upon, about, through or from the Business, online or any other marketplace;
- all forms of consideration, including, without limitation, cash, credit (regardless of collection), payment in kind, fair market value for any service or product you receive in barter or exchange for your services, and any other type of benefit, value or remuneration that you receive (or defer to receive in the future); and
- insurance proceeds and/or condemnation awards for loss of sales, profits or business.

Notwithstanding the foregoing, "Gross Revenues" shall not include revenues from any sales taxes or other add on taxes collected from customers by Franchisee for transmittal to the appropriate taxing authority, gratuities paid by customers to Franchisee's employees, the amount of cash refunds to customers, customer discounts, manager-authorized and/or customer loyalty program discounts, allowances and charge-backs the Franchisee in good faith gives to customers.

“Operating Partner” – The individual designated in Exhibit B to the Franchise Agreement and ADA and any replacement thereof approved by us.

“Operations Manual” – All information for the development, establishment and operation of a Cookie Co.TM Business which contains any mandatory or suggested standards, specifications or operating procedures, whether such information is communicated in writing and/or electronically (such as in bulletins, updates, guidelines, newsletters, emails, videotapes, audio tapes, compact discs, computer diskettes, CD-ROMs, presentations, limited access intranet sites, portable storage media, and alternative or supplemental means of communicating information by other media), all as supplemented and amended periodically, including information with respect to training, management, quality assurance, health, safety, recruitment, security, site selection, site approval processes, standards, customer services, owner’s manuals, training manuals, approved suppliers, and operating system manuals.

“Owner” – Each entity or person owning directly or beneficially 10% or more of the ownership interests in you. If any Owner within the scope of this definition is itself an entity (including an Owner that is an Owner because of this sentence), the term “Owner” also includes Owners (as defined in the preceding sentence) in such entity. It is the intent of this definition to “trace back” and include within the definition of Owner all natural persons owning the requisite interests to qualify as Owners.

“Personnel” – All persons employed by you in connection with the development, management, or operation of your Business, including persons in general and district management positions for your Cookie Co.™ Business, general managers, prep cooks, assistant managers, team trainers, shift supervisors, hourly associates, and all other persons who work in or for your Business.

“Proprietary Ingredients” – Any Ingredients from which the distinctive food products are made for Cookie Co.™ Businesses that are manufactured or produced according to proprietary processes or are sourced or stocked per our requirements and which we authorize to be produced only by Designated Suppliers.

“System,” “System Standards” or “Cookie Co.™ System” – The business formats, signs, equipment, methods, procedures, designs, layouts, specifications, and arrangements for developing and operating Cookie Co.™ Business, which include the Marks, Trade Dress, building design and layouts, equipment, ingredients, recipes, methods of preparation and specifications for authorized food products, training, methods of inventory control and certain operating and business standards and policies, all of which we may improve, further develop or otherwise modify periodically.

“Your Business” – The Cookie Co.™ Business operated by you under a Franchise Agreement.

EXHIBIT I
STATE EFFECTIVE DATES & RECEIPTS

State Effective Dates

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

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

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 Cookie Co.TM Franchising, LLC offers you a franchise, Cookie Co.TM must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with or make a payment to Cookie Co.TM or an Affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law.

New York and Rhode Island law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first 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 requires that we give 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.

Washington requires that we give you this Disclosure Document at least 14 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Cookie Co.TM does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state administrator listed in Exhibit A.

The name, principal business and telephone number of the franchise sellers offering the franchise are:
Ivan Smith and Matt Thomas, 2278 North 300 East, Lehi, Utah 84043; (719) 429-5767 .

Issuance Date: August 19, 2021

Cookie Co.TM authorizes the agent listed in Exhibit A to receive service of process for Cookie Co.TM in your state.

I received a Disclosure Document dated as indicated above that included the following Exhibits:

- | | |
|-----------|---|
| Exhibit A | Schedule of State Administrators and Agents For Service of Process |
| Exhibit B | List of Franchisees and Former Franchisee |
| Exhibit C | Cookie Co. TM Franchise Agreement, including the following Exhibits: <ul style="list-style-type: none">Exhibit A Acknowledgement AddendumExhibit B Ownership AddendumExhibit C GuarantyExhibit D Lease AddendumExhibit E Investor Personal Covenants Regarding Confidentiality & Non-CompetitionExhibit F Authorization Agreement For Prearranged PaymentsExhibit G Site Selection AddendumExhibit H Assignment of Telephone Number(s)Exhibit I State Specific Addenda |
| Exhibit D | Cookie Co. TM Area Development Agreement, including the following Exhibits: <ul style="list-style-type: none">Exhibit A Development Area and ScheduleExhibit A-1 Development Area MapExhibit B Ownership AddendumExhibit C GuarantyExhibit D Investor Personal Covenants Regarding Confidentiality and Non-CompetitionExhibit E State Specific Addenda |

Exhibit E	Cookie Co.™ Operations Manual Table of Contents
Exhibit F	Financial Statements
Exhibit G	State Specific Addenda
Exhibit H	Definitions
Exhibit I	Receipts

There are three available options for you to acknowledge receipt of this Disclosure Document. It is necessary for you to select one of the options, by signing and dating this receipt and checking the appropriate box, and then follow the instructions required by the option you select.

	Option 1: Please print, sign, and return to us via first class mail a paper copy of this receipt, at the address on the cover page of the Disclosure Document.
	Option 2: Please print, sign, and transmit to us this receipt via facsimile at the fax number listed on the cover page of the Disclosure Document.
	Option 3: Please print, sign, scan and email to us this receipt to the email address listed on the cover page of the Disclosure Document.

Date: _____

Date: _____

Signature of Prospective Franchisee

Signature of Prospective Franchisee

Print Name: _____

Print Name: _____

[OUR COPY]

RECEIPT

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- Exhibit B List of Franchisees and Former Franchisee
- Exhibit C Cookie Co.TM Franchise Agreement, including the following Exhibits:
 - Exhibit A Acknowledgement Addendum
 - Exhibit B Ownership Addendum
 - Exhibit C Guaranty
 - Exhibit D Lease Addendum
 - Exhibit E Investor Personal Covenants Regarding Confidentiality & Non-Competition
 - Exhibit F Authorization Agreement For Prearranged Payments
 - Exhibit G Site Selection Addendum
 - Exhibit H Assignment of Telephone Number(s)
 - Exhibit I State Specific Addenda
- Exhibit D Cookie Co.TM Area Development Agreement, including the following Exhibits:
 - Exhibit A Development Area and Schedule
 - Exhibit A-1 Development Area Map
 - Exhibit B Ownership Addendum
 - Exhibit C Guaranty

	Exhibit D	Investor Personal Covenants Regarding Confidentiality and Non-Competition
	Exhibit E	State Specific Addenda
Exhibit E	Cookie Co.™	Operations Manual Table of Contents
Exhibit F		Financial Statements
Exhibit G		State Specific Addenda
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	Option 2: Please print, sign, and transmit to us this receipt via facsimile at the fax number listed on the cover page of the Disclosure Document.
	Option 3: Please print, sign, scan and email to us this receipt to the email address listed on the cover page of the Disclosure Document.

Date: _____

Date: _____

Signature of Prospective Franchisee

Signature of Prospective Franchisee

Print Name: _____

Print Name: _____

[YOUR COPY]