

FRANCHISE DISCLOSURE DOCUMENT



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Cookie Advantage businesses sell cookies, cookie cups and related goods that are marketed primarily as gift items to businesses and individuals who desire to express their appreciation to their customers and obtain customer feedback (“Cookie Advantage Business(es)”). We offer franchises for a single Cookie Advantage Business.

The total investment necessary to begin operation of a Cookie Advantage franchised business is between \$92,550 and \$171,250. This includes \$37,400 that must be paid to the franchisor or its affiliate(s).

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Kim Carns, kim@cookieadvantage.com, 7 North Armstrong, Bixby, Oklahoma 74008, (918) 369-4777.

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

Issuance Date: ~~April 25, 2023~~ March 26, 2024

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 F.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor’s direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit B 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 Advantage 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 Advantage franchisee?	Item 20 or Exhibit F lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Oklahoma. 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 Oklahoma than in your own state.
2. **Spousal Liability**. Your spouse must sign a document, such as a guarantee, that makes your spouse liable for your financial obligations under the agreement even if your spouse does not own any part of the franchise business. Both you and your spouse's marital and personal assets, including your house, could be lost if your franchise fails.
3. **Mandatory Minimum Payments**. You must make minimum royalty payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

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 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, 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 the right of a franchisee to join an association of franchisees.
- (b) A requirement that the franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its terms 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 five years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six 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 or under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include:
 - (i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.
 - (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

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

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

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

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

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

Any questions regarding this notice should be directed to the Department of Attorney General, State of Michigan, 670 Williams Building, Lansing, Michigan 48913, telephone (517) 373-7117.

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

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

To simplify the language in this Franchise Disclosure Document, “CAI,” “we,” “us,” and “our” means Cookie Advantage, Inc., the franchisor. “You” and “your” means the person who is buying the franchise. If you are a corporation, partnership, limited liability company, or other entity, “you” includes your owners or members.

The Franchisor, Predecessors, Parents and Affiliates

CAI is an Oklahoma corporation formed on October 15, 2001. We operate under our corporate name, Cookie Advantage, Inc., and the name “Cookie Advantage.” We operate under no other name. Our principal business address is 7 North Armstrong, Bixby, Oklahoma 74008. We began offering franchises for Cookie Advantage Businesses in January 2002. We have not and do not operate any businesses like those described in this Franchise Disclosure Document, or in any other line of business. We do not conduct any other business other than franchising Cookie Advantage Businesses. We have no predecessors or parent entities.

We have one affiliate, KDKC, Inc. (~~our “(“Affiliate”), an Oklahoma corporation,”~~) that has operated a business similar to the type being offered under this Franchise Disclosure Document since 1998 in Bixby, Oklahoma. ~~The Our Affiliate shares our principal business address for our Affiliate is 7 North Armstrong, Bixby, Oklahoma 74008.~~ Our Affiliate is currently the only approved supplier of packaging supplies, including shipping boxes, and custom software for franchisees and may provide additional products to franchisees in the future. Our Affiliate does not and has not offered franchises in this or any line of business.

Our agent for service of process in Oklahoma is Duane Carns, 7 North Armstrong, Bixby, Oklahoma 74008. Our agents for service of process for other states are disclosed in Exhibit A. If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed above in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

The Franchise

We offer franchises (“Cookie Advantage Franchise(s)” or “Franchise(s)”) for the use of our “COOKIE ADVANTAGE” trademarks, trade names, service marks, and logos (“Marks”) for the operation of Cookie Advantage Businesses. Cookie Advantage Businesses are operated under our proprietary Cookie Advantage system (“System”). The System may be changed or modified by us throughout your ownership of the Franchise. Cookie Advantage Businesses provide marketing solutions to businesses to implement a customer follow-up and appreciation program utilizing the delivery of cookies by mail as thank you gifts, corporate gifts, or incentives for return or new business. Franchisees sell the Cookie Advantage program to business customers, then prepare, bake, and package the cookies for mailing and pickup by the U.S. Postal Service as specified by the business customer, utilizing their customized messages or logos. You will operate your Cookie Advantage Business from an approved retail location that will meet approval of the local health department (the “Bakery”) in a specified geographic area. You must sign our standard franchise agreement attached to this Franchise Disclosure Document as Exhibit C (“Franchise Agreement”). You may operate one Cookie Advantage Business for each Franchise Agreement you sign.

Market and Competition

Cookie Advantage Businesses service the needs of business customers and individuals. Our services are not seasonal in nature. The market for the products and services offered by Cookie Advantage Businesses is developed and competitive. Cookie Advantage Businesses compete with other businesses offering gift and promotional items. These competitors may include major retail distribution outlets, franchise programs, catalog sales, and the Internet, as well as local independent businesses, including local gift stores, and others that provide similar services and products. Your target market will be businesses, organizations desiring to fundraise, and individuals desiring to purchase gift items.

Industry-Specific Laws

You must obtain all necessary permits, licenses, and approvals to operate your Cookie Advantage Business. You must comply with all local, state, and federal laws and regulations relating to food handling and the sale of food. Most states and local jurisdictions have enacted laws, rules, regulations, and ordinances that may apply to the operation of your Cookie Advantage Business, including those that: (a) regulate matters affecting the health, safety, and welfare of your customers, such as general health and sanitation requirements for the storage and handling of foods and beverages, restrictions on smoking, availability of and requirements for public accommodations, such as restroom facilities and public access, including requirements for accommodations for disabled persons; (b) set standards pertaining to employee health and safety; (c) set standards and requirements for construction, design, and maintenance of the site, including fire safety and general emergency preparedness; (d) establish general requirements or restrictions on advertising containing false or misleading claims, or health and nutrient claims on menus or otherwise, such as “low calorie” or “fat free;” and (e) regulate the proper use, storage, and disposal of waste. Additionally, most states require a food handler’s license and possibly a hawkers or peddlers license.

Your Cookie Advantage Business is subject to local food and health permits and inspection laws. Health laws are intended in part to reduce food home illnesses and may cover such issues as: requiring employees to take a test and obtain a license as a food service worker; having accessible sinks and bathrooms for certain size establishments; inspections for cleanliness and compliance, equipment cleaning, storage and packaging; size of facilities; allowed foods; and refrigeration. Certain municipalities you plan to service may have additional related licensing requirements. The United States Department of Agriculture and the Food and Drug Administration regulate the manufacture, labeling, and distribution of food products. The U.S. Postal Service has shipping restrictions that may affect the shipping of your products. Certain states may have fundraising laws that apply to the fundraising aspect of your Cookie Advantage Business. You will need to understand and comply with those laws in operating your Cookie Advantage Business.

You are responsible for investigating, understanding, and complying with all applicable laws, regulations, and requirements applicable to you and your Cookie Advantage Franchise. You should consult with a legal advisor about whether these and/or other requirements apply to your Cookie Advantage Business. Failure to comply with laws and regulations is a material breach of the Franchise Agreement.

**ITEM 2
BUSINESS EXPERIENCE**

President and Director: Duane Carns

Duane Carns is our co-founder and has served as our President and a Director in Bixby, Oklahoma since our inception in October 15, 2001. In addition, Mr. Carns serves as co-owner and President of our Affiliate in Bixby, Oklahoma, and has done so since its inception in August 1998.

Vice President, Secretary, Treasurer and Director: Kim Carns

Kim Carns is our co-founder and has served as our Vice President, Secretary, Treasurer, and as a Director in Bixby, Oklahoma since our inception in October 15, 2001. In addition, Ms. Carns serves as co-owner and Vice President of our Affiliate in Bixby, Oklahoma, and has done so since its inception in August 1998.

**ITEM 3
LITIGATION**

No litigation is required to be disclosed in this Item.

**ITEM 4
BANKRUPTCY**

No bankruptcy is required to be disclosed in this Item.

**ITEM 5
INITIAL FEES**

You must pay us an initial franchise fee (“Initial Franchise Fee”) of \$34,900 in full when you sign the Franchise Agreement. The Initial Franchise Fee is payment for all of our pre-opening assistance that we provide to allow you to open your Cookie Advantage Business and also offsets some of our franchisee recruitment expenses. The Initial Franchise Fee is uniform, deemed fully earned by us once paid and non-refundable under any circumstances. During our last fiscal year, ended December 31, ~~2023~~2022, we did not collect Initial Franchise Fees.

You must purchase an initial inventory of product packaging (“Packaging”) for \$2,500 prior to opening your Cookie Advantage Business. The merchandise must be purchased from our Affiliate. The Packaging costs include shipping and are uniform and non-refundable under any circumstances.

Some states have imposed a fee deferral. Please refer to the State Addendum in Exhibit G to the Franchise Disclosure Document.

**ITEM 6
OTHER FEES**

Type of Fee ⁽¹⁾	Amount	Due Date	Remarks
Royalty ⁽²⁾	6% of Gross Revenue per month during the first 12 months of operation of the Bakery; and the greater of \$800 per month (“ <u>Minimum Royalty</u> ”) or 6% of Gross Revenue per month beginning on the 13 th month of operation and continuing during the remaining years of the initial term of the Franchise Agreement or any successor term	Monthly by the 15 th day of each month	The royalty fee (“ <u>Royalty</u> ”) is based on Gross Revenue during the previous month. Your Royalty is an ongoing payment that allows you to use the Marks and the intellectual property of the System and pays for our ongoing support and assistance.
Unauthorized Advertising Fee	\$500 per occurrence	On demand	This fee is payable to us if you use unauthorized advertising in violation of the terms of the Franchise Agreement.
Audit	Cost of audit and inspection, any understated amounts, any related accounting and legal expenses, plus a late fee of 1.5% interest per month on understatement (we estimate this cost to be between \$1,000 and \$15,000)	On demand	Due if you do not give us reports, supporting records, or other required information, or if an audit reveals that you understated monthly Gross Revenue by more than two percent (2%).
Transfer Fee	\$2,900	\$1,000 non-refundable deposit at time of transfer application submittal; remaining balance of fee at time of approval of transfer	Payable only in connection with the transfer of your Cookie Advantage Business or the Franchise Agreement. We will waive this fee if your Cookie Advantage Business is transferred to an entity that you control or to family members. The purchaser may be required to purchase new equipment.
Payment Service Fee	Up to 4% of total charge	As incurred	If payment is made to us or our affiliates by credit card for any fee required, we may charge a service charge of up to four percent of the total charge.
Additional Training or Assistance Fees ⁽³⁾	Then-current fee (currently \$250 per day), plus our expenses	Payable in advance of the training or assistance	We provide initial training at no charge for certain persons (See Item 11), but we may charge you for training additional persons, newly-hired personnel, refresher training courses, and additional or special assistance or training you need or request. The fee amount will depend on the duration and type of training required.

Type of Fee ⁽¹⁾	Amount	Due Date	Remarks
Late Payment Fee	The lesser of 1.5% per month or the maximum amount allowable by law	As incurred	Charged on any late payments of fees, amounts due for product purchases, or any other amounts due us or our affiliates, including the Royalty. Late fees will continue to accrue until the interest and the overdue amount are both paid.
Indemnification	Varies under circumstances	As incurred	You must indemnify and reimburse us for any expenses or losses that we or our representatives incur related in any way to your Cookie Advantage Business or Franchise.
Professional Fees and Expenses	Will vary under circumstances	As incurred	You must reimburse us for any legal or accounting fees that we incur as a result of any breach or termination of your Franchise Agreement. You must reimburse us if we are required to incur any expenses in enforcing our rights against you under the Franchise Agreement. You will also be required to pay any professional fees that we incur for certain transfers as discussed in this Item 6.
Returned Check or Insufficient Funds Fee	\$100 per occurrence	As incurred	Payable if any check or electronic payment is not successful due to insufficient funds, stop payment, or any similar event.
Renewal Fee	\$2,900	At the time you sign the successor franchise agreement	Payable if you qualify to renew your Franchise Agreement and choose to enter into a successor franchise agreement.
Technology Fee ⁽⁴⁾	Then-current fee (currently \$100 per month)	Due one month in advance of service at the same time as the Royalty	This “ <u>Technology Fee</u> ” covers access to our custom designed software (“ <u>Cookie Advantage Business Software</u> ”), website hosting, and other services. We reserve the right to increase this fee in the event we offer updated or additional software or technology for use in the Cookie Advantage Business upon 30 days’ written notice to you. You will be responsible for any increase in fees that result from any upgrades, modifications or additional software or from increases from third-party vendors.

Type of Fee ⁽¹⁾	Amount	Due Date	Remarks
Conference Fee	Then-current fee (not currently charged)	Within ten days of the beginning of any annual conference	This fee is due whether or not you attend our annual conference in any given year. Franchisees who do attend the conference will pay all salary and other expenses of each person attending, including any additional conference fees, travel expenses, meals, living expenses, and personal expenses.
Replacement of Confidential Operations Manual	Then-current fee (currently \$500)	On demand	Payable if your copy of the confidential operations manual is lost, destroyed, or significantly damaged.
Supplier and Product Evaluation Fee	Costs of inspection and evaluation (estimated to be approximately \$100 to \$500)	As incurred	Payable if we inspect and/or evaluate a new product, service, or proposed supplier nominated by you.
Customer Issue Resolution	Reasonable costs we incur for responding to a customer complaint, which varies	As incurred	Payable if a customer of your Cookie Advantage Business contacts us with a complaint and we provide a gift card, refund or other value to the customer as part of our addressing the issue.
Late Report Fee	\$100 per month, plus interest at the lesser of 1.5% per month or the maximum amount allowed by law	As incurred	Payable if any report or financial statement is not received by the due date. The minimum fee is due upon a missed report. You will incur the \$100 monthly fee each month until the report is received. Interest accrues on the difference between the minimum fee and the total monthly fee, depending on whether you pay the monthly fee on time and when the report is finally received.
Management Fee	\$250 Our then-current fee (currently \$500 per day), plus costs and expenses	As incurred	Payable if we or an affiliate manages the Cookie Advantage Business because you are in breach of the Franchise Agreement or due to absence, termination, death or disability.
Broker Fees	Our actual cost of the brokerage commissions, finder's fees, or similar charges	As incurred	If you transfer your Cookie Advantage Business to a third party or purchaser, you must reimburse all of our actual costs for commissions, finder's fees and similar charges.

Notes:

- Fees.** All fees paid to us or our affiliates are uniform and non-refundable under any circumstances once paid. All fees are generally imposed uniformly on all franchisees who sign our current Franchise Agreement, but we may, in unique situations, modify or waive certain fees due to market conditions or other extenuating circumstances. Fees paid to vendors or other suppliers may be refundable depending on the vendors and suppliers. All fees are current as of the Issuance Date of this Franchise Disclosure Document. We currently require you to pay fees and other amounts due to us or our affiliates via electronic funds transfer (“EFT”) or other similar means. You are required to complete the ACH authorization (in the form attached to this Franchise Disclosure Document in

Exhibit H. We can require an alternative payment method or payment frequency for any fees or amounts owed to us or our affiliates under the Franchise Agreement. All fees are current as of the Issuance Date of this Franchise Disclosure Document. Certain fees that we have indicated may increase over the term of the Franchise Agreement. All fees expressed as a fixed dollar amount are subject to adjustment based on changes to the Consumer Price Index (“CPI”) in the United States. We may periodically review and increase these fees based on changes to the CPI, but only if the increase to the CPI is more than 5% higher than the corresponding CPI in effect on: (a) the effective date of your Franchise Agreement (for the initial fee adjustments); or (b) the date we implemented the last fee adjustment (for subsequent fee adjustments). We will notify you of any CPI adjustment at least 60 days before the fee adjustment becomes effective. We will implement no more than one CPI-related fee adjustment during any calendar year.

2. Royalty. “Gross Revenue” means all revenues derived from all sales of products and/or services of every kind or nature sold from, at, or in connection with the operation of the Cookie Advantage Business, or otherwise arising out of the operation of the Cookie Advantage Business (including all proceeds from any business interruption insurance), including the full redemption value of any gift certificate or coupon sold for use at the Cookie Advantage Business (fees retained by or paid to third-party sellers of such gift certificates or coupons are not excluded from this calculation), and all income and consideration of every other kind and nature related to the Bakery operation, whether for cash or credit, and regardless of collection. Gross Revenue do not include the amount of any tax imposed by any federal, state, municipal, or other governmental authority, and all customer refunds, valid discounts and coupons, and credits made by the Bakery (exclusions will not include any reductions for credit card user fees, returned checks, or reserves for bad credit or doubtful accounts). If you render services to a customer or otherwise recognize a sale (whether or not you have received payment from the customer), the Royalty is due in the period in which service was performed or completed.
3. Additional Training or Assistance Fees. If you require or request additional on-site assistance beyond what is provided by us, we may send a representative to provide further assistance to you or require you to come to our office or other designated location. If we provide additional assistance at your request, we must agree in advance to the charges you will pay and the length of the visit. The cost of additional assistance will depend on your needs and the amount of assistance you desire. We may also require you to receive additional assistance if you are not meeting our requirements or if we determine, in our sole discretion, additional pre-opening or post-opening assistance is required or if we determine that it is necessary for us to provide additional assistance to you to keep the System competitive. Such additional assistance will be at your expense as described above. Our current published rate for additional assistance is \$250 per day, plus the cost of travel, meals, and room and board. We reserve the right to adjust that rate periodically in our confidential operations manual.
4. Technology Fee. We will provide you with certain technical services in exchange for your monthly Technology Fee, which may change from time to time based on changes to the technical services we provide and/or our costs to provide these services. The current Technology Fee is \$100 per month per outlet. You must use our custom designed Cookie Advantage Business Software. We also reserve the right to create additional proprietary software or technology that must be used by Cookie Advantage franchisees, in which case we may require that you enter into a license agreement with us and pay us reasonable initial and ongoing licensing, support and maintenance fees. We reserve the right to enter into a master license agreement with any software or technology supplier and sublicense the software or technology to you, in which case we may charge you for all amounts that we must pay to the licensor based on your use of the software or technology. We can

change the software and technology that must be used by our franchisees at any time, which may result in changes to the Technology Fee.

ITEM 7
ESTIMATED INITIAL INVESTMENT
YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
Initial Franchise Fee	\$34,900	\$34,900	Lump Sum	Upon signing the Franchise Agreement	Us
Equipment ⁽¹⁾	\$24,950	\$80,000	As Incurred	As Incurred	Third Parties
3 Months' Lease Payments ⁽²⁾	\$1,800	\$4,500	As Incurred	As Incurred	Landlord
Utility and Security Deposits ⁽³⁾	\$600	\$1,500	As Incurred	Before Opening	Landlord
Leasehold Improvements	\$2,000	\$3,000	As Incurred	Before Opening	Landlord or Construction Contractors
Business Licenses and Permits ⁽⁴⁾	\$500	\$1,000	As Incurred	Before Opening	Third Parties
Computer Hardware and Software ⁽⁵⁾	\$2,500	\$4,000	As Incurred	As Incurred	Third Parties
Initial Inventory ⁽⁶⁾	\$10,000	\$12,000	As Incurred	Before Opening	Third Parties
Packaging ⁽⁷⁾	\$2,500	\$2,500	As Incurred	Before Opening	Our Affiliate
Advertising ⁽⁸⁾	\$1,500	\$3,000	As Incurred	As Incurred	Third Parties
Professional Fees	\$250	\$2,500	As Incurred	As Incurred	Third Parties
Insurance ⁽⁹⁾	\$250	\$750	As Incurred	Before Opening	Insurer
Travel and Initial Training Expenses ⁽¹⁰⁾	\$800	\$1,600	As Incurred	Before Opening	Third Parties
Additional Funds-3 Months ⁽¹¹⁾	\$5,000	\$10,000	As Incurred	As Incurred	Third Parties
Miscellaneous	\$5,000	\$10,000	As Incurred	At Opening	Third Parties, Employees
TOTAL ESTIMATED INITIAL INVESTMENT ⁽¹²⁾	\$92,550	\$171,250			

Notes:

These estimated initial expenses are our best estimate of the costs you may incur in establishing and operating your Cookie Advantage Franchise. We do not offer direct or indirect financing for these items.

All expenditures paid to us are uniform and non-refundable under any circumstances once paid. All expenses payable to third parties may be refundable, depending on their policies or your arrangements with them.

1. Equipment. This estimate includes equipment that you will need for the operation of your Cookie Advantage Business as follows: an oven, unifiller depositor, KooK E King depositor, commercial refrigerator, sink, tables, shelves, cookie racks, a mixer, flour tubs, cookie depositor, cookie sheets, miscellaneous kitchen utensils, and a batter dispenser (“Equipment”). Your costs for the recommended Equipment depends upon whether you purchase or lease the Equipment, whether you get new or used Equipment, the terms and conditions upon which you arrange financing, your location, and other factors. You are not required to buy any Equipment from us. We reserve the right to revoke any Equipment should it not meet minimum standards, as solely determined by us. The lower cost assumes you are purchasing used Equipment, and the higher cost assumes you are purchasing new Equipment.
2. Three Months’ Lease Payments. These estimates are based on the Tulsa, Oklahoma real estate market. A Bakery will typically be 1,000 to 1,200 square feet in size, and is typically located in retail strip malls. If you purchase instead of leasing the premises for your Bakery, then the purchase price, down payment, interest rate, and other financing terms will determine your monthly mortgage payments.
3. Utility and Security Deposits. This estimate includes security deposits required by the landlord.
4. Business Licenses and Permits. You are solely responsible for obtaining the licenses and permits required by your city, county, and state to operate your Cookie Advantage Business. This estimate will vary by location.
5. Computer Hardware and Software. This estimate is the cost of obtaining the required computer hardware meeting our minimum specifications that you purchase from suppliers selected by you. The standards and specifications we are currently utilizing are set forth in the confidential operations manual.
6. Initial Inventory. We will supply you with a list of any approved suppliers. The initial inventory cost will vary depending on the volume you decide to purchase, current market prices, from whom you purchase the items, where your territory is located, and other factors.
7. Packaging. The Packaging includes various sized boxes and includes shipping costs.
8. Advertising. You are not required to engage in any advertising campaign. The sites we recommend for the location of the business typically include identifying signage in the lease. This estimate is for business cards, flyers or other printed materials, SEO campaigns, or direct mail campaigns that you may utilize to supplement sales calls.
9. Insurance. You must obtain and maintain certain types and amounts of insurance, including business insurance. Please note that if you have had prior issues or claims from previous operations unrelated to the operation of a Cookie Advantage Business, your rates may be significantly higher than those estimated above.
10. Travel and Initial Training Expenses. We provide training at our training center in Bixby, Oklahoma or at another location designated by us. You must pay for airfare, transportation costs,

lodging, meals, wages, and incidental expenses for all initial training program attendees. Only you or the managing owner (if you are an entity), and any designated manager (if any), are required to attend the initial training program. Initial training is provided at no charge for you (or the managing owner if you are an entity) and your designated manager (if any), and any employees we designate so long as all trainees receive their training at the same training session. This estimates the expenses for one person. If more than one person attends the initial training program, your expenses will be more than this estimate.

11. Additional Funds. Our estimates are based on our experience, the experience of our Affiliate, and our current requirements for Cookie Advantage Franchises. If your Cookie Advantage Business opens during the last quarter of the calendar year, we recommend that you follow the high estimate to accommodate the Christmas holiday.
12. This is an estimate of your initial start-up expenses for one Cookie Advantage Franchise. You should review these figures with a business advisor, financial consultant, or other professional before deciding to purchase the Franchise.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Standards and Specifications

To ensure the highest degree of quality and service is maintained, you must operate your Cookie Advantage Franchise in strict conformity with the methods, standards, and specifications we list in our proprietary and confidential operating manual (“Confidential Operations Manual”), which may exist in various parts, locations, and formats, and may include a combination of audio, video, written material, electronic media, website content, and/or software components. You must not: (i) deviate from these methods, standards, and specifications without our prior written consent; or (ii) otherwise operate in any manner which reflects adversely on our Marks or the System. Our Confidential Operations Manual states our standards, specifications, and guidelines for all products and services we require you to obtain in establishing and operating your Cookie Advantage Franchise.

We will notify you of new or modified standards, specifications, and guidelines through periodic amendments or supplements to the Confidential Operations Manual or through written communication (including electronic communication). We will issue copies of our standards and specifications to you and approved and proposed suppliers, unless these standards and specifications contain our Confidential Information (defined in Item 14).

You must purchase, install, maintain in sufficient supply, and use, only fixtures, furnishings, Equipment, signs, and supplies (collectively, the “Operating Assets”) that conform to the standards and specifications described in the Confidential Operations Manual or otherwise in writing.

Insurance

You must obtain the insurance coverage required under the Franchise Agreement, which is also listed below. The insurance company must be authorized to do business in the state where your Bakery is located and must be approved by us. It must also be rated “A” or better by A.M. Best & Company, Inc. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage at any time. The cost of insurance may be significantly higher than the estimate, depending on such factors as particular state coverage requirements, store

location, and your loss history. Each policy must contain a waiver by you and your insurer of their subrogation rights against us and our affiliates, and each of our respective shareholders, directors, employees, and agents. Each policy must also name us and our affiliates, and each of our respective shareholders, directors, employees, and agents as additional named insureds with primary non-contributory coverage.

You must obtain and maintain the following insurance: (1) comprehensive public, participant legal liability, product, and motor vehicle liability insurance against claims for bodily and personal injury, death, and property damage caused by or in conjunction with the operation of the Franchise or otherwise with your conduct of the Cookie Advantage Business under your Franchise Agreement, under one or more policies of insurance containing minimum liability coverage amounts as set forth in the Confidential Operations Manual; (2) general casualty insurance at all risk to include theft, cash theft, crime, fire and extended coverage, vandalism, and malicious mischief insurance for the replacement value of the Franchise and its contents, and any other assets of the Franchise; (3) worker's compensation, unemployment and employer's liability insurance as required by law, with limits equal to or over those required by statute; (4) business interruption insurance for a period adequate to re-establish normal business operations, but not less than six months; (5) insurance coverage for employment practices liability, data theft; and (6) any other insurance required by applicable law, rule, regulation, ordinance, or licensing requirements will be sensitive to total liability limits. For example, umbrella liability coverage with limits of not less than \$1,000,000/\$3,000,000 or such other amounts we may establish in the Confidential Operations Manual.

Computer System

Franchisees must use the computer programs and related materials developed for use in the operation of the Cookie Advantage Franchise. You must use the computer hardware and software that we periodically designate to operate your Cookie Advantage Business, including our custom designed software. Except for our custom designed software, we currently do not require, but reserve the right to require, you to obtain the computer hardware, software licenses, maintenance and support services, and other related services from the suppliers we specify (which may be limited to us and/or our affiliates). Item 11 of this Franchise Disclosure Document contains additional information regarding our computer requirements.

Purchases from Approved Suppliers

We have developed standards and specifications for the Equipment and materials used to perform services at your Cookie Advantage Business, and products authorized for sale at your Cookie Advantage Business. We reserve the right to approve, and may continue to periodically approve, suppliers and distributors of the above items and products, which may include us or our affiliates, that meet our standards and requirements.

We have approved, and will continue to periodically approve, specifications of the above items and products. These specifications include standards and requirements concerning product quality, prices, consistency, reliability, financial capability, labor relations, and customer relations. You must: (1) maintain the products in the quantities and condition we designate; (2) use those formats, formulae, and containers for products that we prescribe; and (3) only use the products and materials, and, upon our written consent, any comparable items related to establishing or operating your Cookie Advantage Business from our distributors and other suppliers, if we have approved distributors and other suppliers. Currently, the required Equipment may be purchased from the supplier of your choice provided that it meets our specifications.

We estimate that approximately 40-50% of purchases and leases required to open your Cookie Advantage Business, and 80-90% of purchases and leases required to operate your Cookie Advantage Business will be under our specifications.

We negotiate terms with suppliers, including price terms, for the benefit of franchisees. The discounts that we negotiate are available to all franchisees. We do not have purchasing and distribution cooperatives as of the Issuance Date of this Franchise Disclosure Document; however, we may negotiate alternative purchase arrangements with suppliers and distributors of approved products for the benefit of our franchisees. We have currently negotiated pricing with our mug and tumbler supplier. We reserve the right to receive rebates or volume discounts from our purchase of products we may resell to you, and from suppliers in consideration for goods or services that we require or advise you to obtain from approved suppliers. We do not provide material benefits, such as renewing or granting additional Franchises to franchisees based on their use of designated or approved suppliers. There are no caps or limitations on the maximum rebates we may receive from our suppliers as the result of franchisee purchases.

Approval of New Suppliers

We may update the list of approved suppliers in the Confidential Operations Manual. If we have an approved supplier of a product or service and you desire to have a non-approved supplier of a product or service designated as an approved supplier, you must submit samples of the supplier's products or services to us, along with a written statement describing why such items, services, or suppliers should be approved for use in the System. We do not make our supplier specifications and/or standards generally available to franchisees or suppliers. While we will be required to respond to a request within 60 days, we generally respond to a request for an additional approved supplier within seven days. Our written approval must be received before you use products not purchased from an approved supplier. We may revoke our approval at any time if we determine, in our discretion, that the supplier no longer meets our standards. When you receive written notice of a revocation, you must stop selling any disapproved products, and stop purchasing from any disapproved supplier. We reserve the right to charge for the reasonable costs of inspection and evaluation of the proposed product, service, or supplier which are estimated to be approximately \$100 to \$500.

Franchisor and/or Affiliates as Approved Supplier

We may designate ourselves (and/or our affiliates) in the future as an approved supplier, or the only approved supplier, from which you may or must lease or purchase certain products or services in developing and operating your Cookie Advantage Business. We may derive revenue from these sales, and may sell these items at prices exceeding our or their costs that include a profit margin. Our President and our Vice President own equity in our Affiliate, which is an approved supplier for Packaging and the Cookie Advantage Business Software and may be an approved supplier for additional items in the future.

Our Affiliate is currently the only approved supplier for the Packaging and the Cookie Advantage Business Software. We are currently not an approved supplier of any products or services. During our last fiscal year, ended December 31, 2023~~2022~~, we did not derive revenue or other material consideration as a result of franchisees' required purchases or leases. During our last fiscal year, ended December 31, 2023~~2022~~, our Affiliate received \$241,619,509~~7,461.85~~ from the sale or lease of products or services to franchisees. The revenue or other consideration received by us or our Affiliate may include promotional allowances, volume discounts, and other payments.

Except as described above, neither we nor any affiliates are approved suppliers for any purchases or leases required for the operation of your Cookie Advantage Business. We and/or our affiliates reserve the right in the future to become an approved supplier for other categories of products and services offered or used by your Cookie Advantage Business, including any proprietary software that we develop and require you to use in operating your Franchise.

Our Involvement with Suppliers

While we currently receive no revenue or other material consideration from suppliers deriving from products or services that we require or may advise you to obtain from approved suppliers in the future, we reserve the right to do so in the future. We anticipate that any revenue or other consideration we may receive in the future may include promotional allowances, volume discounts, and other payments. We expect that some of these arrangements may allow us to obtain discounts off standard pricing and to pass at least a portion of these savings on to you. We may receive rebates from some suppliers based on your purchases of products and services. We have negotiated pricing for franchisees for shipping and for the tumbler and mug purchases.

ITEM 9 FRANCHISEE’S OBLIGATIONS

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

Obligation	Section(s) in Franchise Agreement (“FA”)	Item in Disclosure Document
(a) Site selection and acquisition/lease	Sections 2.3 and 3	Items 7, 11, and 12
(b) Pre-opening purchases/leases	Section 3.1, 3.3, 3.4, 3.5	Items 5, 7, and 11
(c) Site development and other pre-opening requirements	Sections 3.2 and 3.3	Items 7, and 11
(d) Initial and ongoing training	Section 4	Items 6, 7, and 11
(e) Opening	Section 3.6	Item 11
(f) Fees	Sections 6, 8.3, 9.4, 11.1, 11.2, 13.2, 14.4, 14.6, 16.10, 17.8, 17.19	Items 5, 6, 7, and 11
(g) Compliance with standards and policies/Confidential Operations Manual	Sections 5.1, 5.2, and 10	Items 8, 11 and 14
(h) Trademarks and proprietary information	Section 7 and 16.2	Items 13 and 14
(i) Restrictions on products/services offered	Section 10.3	Items 8, 11, and 16
(j) Warranty and customer service requirements	Sections 3.4, 8.2 and 10	
(k) Territorial development and sales quotas	Section 3	Item 12
(l) Ongoing product/service purchases	Section 10.2	Items 6 and 8

Obligation	Section(s) in Franchise Agreement (“FA”)	Item in Disclosure Document
(m) Maintenance, appearance and remodeling requirements	Section 10.1	Items 8, 11, and 17
(n) Insurance	Section 10.7	Items 7 and 8
(o) Advertising	Section 11	Items 1, 6, 7, and 11
(p) Indemnification	Section 8.3	Item 6 and 13
(q) Owner’s participation/ management/staffing	Section 10.6	Items 11 and 15
(r) Records and reports	Section 12	Item 6 and 19
(s) Inspections and audits	Section 13	Items 6 and 11
(t) Transfer	Section 14	Item 17
(u) Renewal	Section 2.4	Item 17
(v) Post-termination obligations	Sections 15 and 16	Item 17
(w) Non-competition covenants	Section 9, 16.5	Items 15 and 17
(x) Dispute resolution	Section 17.9	Item 17

**ITEM 10
FINANCING**

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

**ITEM 11
FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEM, AND TRAINING**

Except as listed below, CAI is not required to provide you with any assistance.

Pre-opening Obligations

Before you open your Cookie Advantage Business, we (or our designee(s)) will provide the following assistance and services to you:

1. Designate the territory for your Cookie Advantage Business (See Section 2.3 of the Franchise Agreement).
2. Provide site selection guidelines and criteria to determine an acceptable location for your Cookie Advantage Business (See Section 3 of the Franchise Agreement). Assist you in your site selection process by authorizing a site for your Bakery.
3. Provide you with mandatory and discretionary specifications for your Cookie Advantage Business, including standards and suggested criteria for design, image, and other trade dress (See Section 3.2 of the Franchise Agreement).

4. Identify Operating Assets, Equipment, opening inventory, signs, fixtures, and other products and supplies, you must use to develop and operate your Cookie Advantage Business, which conform to the standards and specifications described in the Confidential Operations Manual, and may exist in various parts, locations, and formats, and include a combination of audio, video, written material, electronic media, website content, and/or software components (See Sections 3.2 and 5 of the Franchise Agreement). Identification and assistance provided by us is typically via the Confidential Operations Manual. We do not directly provide assistance with the above items, including the delivery and installation of any items to you, unless disclosed in this Item and/or you specifically request such assistance and we agree to your request.

5. Establish minimum standards and specifications that you must use and satisfy in the development of and operation of your Cookie Advantage Business, including identifying the designated and approved suppliers, if any, that you are required to purchase and/or lease items from for your Cookie Advantage Business (See Sections 3 and 5 of the Franchise Agreement). Designated and approved supplier information will be issued to you and updated in the Confidential Operations Manual.

6. Loan to you, or make available to you on our website, one copy of our Confidential Operations Manual, the current table of contents of which is attached to this Franchise Disclosure Document as Exhibit E. As of the Issuance Date of this Franchise Disclosure Document, the Confidential Operations Manual contains approximately 205 pages (See Section 5 of the Franchise Agreement).

7. Provide an initial training program (the “Initial Training Program”) at our headquarters which is currently in Bixby, Oklahoma, in your territory, or another location we designate, to you (or the managing owner if you are an entity) and your designated manager (if any), and any employees we designate (See Section 4.2 of the Franchise Agreement).

8. Provide pre-opening assistance and pre-opening training to you (or the managing owner if you are an entity) and your designated manager (if any) (“Pre-Opening Training Program”) for approximately four days at your Bakery. The Pre-Opening Training Program will occur immediately prior to and immediately following the opening date of your Bakery (See Section 4.2 of the Franchise Agreement).

We do not provide the above services to renewal franchisees and may not provide all of the above services to franchisees that purchase existing Cookie Advantage Businesses.

Site Selection

You must select the site for your Bakery subject to our approval. The factors we consider in approving sites include the general location, layout, size, population and other factors that are relevant to your market. You may not relocate your Bakery without our prior written consent. We will approve or deny a site for your Bakery within ten days after you give us written notice of your chosen site (See Sections 3 of the Franchise Agreement). If we disapprove of a proposed site, you must select another site, subject to our consent. We do not select a site for your Bakery. We do not provide assistance with conforming your Bakery to local ordinances and building codes, obtaining any required permits, and/or constructing, remodeling or decorating your Bakery. We do not generally own the premises for the Bakery and lease it to you.

You must submit to us, in the form we specify, a description of the site and such other information or materials as we may reasonably require. We may terminate the Franchise Agreement if you do not submit an approved site within 60 days of the date of the Franchise Agreement, or we cannot

agree on an acceptable location for the operation of your Cookie Advantage Business within such period. The Initial Franchise Fee will not be refunded.

You may not execute a lease without our advance written acceptance of the lease's terms. The lease for the Bakery must, if we require it, permit us to take possession of the Bakery under certain conditions if the Franchise Agreement is terminated. It must also contain such terms and provisions as are reasonably accepted by us, including those provisions in the "Lease Addendum" attached to the Franchise Disclosure Document in Exhibit H.

Schedule for Opening

The typical length of time between signing the Franchise Agreement and the opening of the Cookie Advantage Business will be approximately 60 to 90 days, and you must open your Cookie Advantage Business within 90 days after you sign the Franchise Agreement. Failure to open your Cookie Advantage Business within this 90-day window is a material breach of the Franchise Agreement, which provides us with the right to terminate the Franchise Agreement. We reserve the right, in our sole discretion, to extend this time, but we are not obligated to do so. Some factors that may affect this timing are your ability to secure any necessary financing; lease negotiations for your site; your ability to comply with local zoning and other ordinances; your ability to obtain any necessary permits and certifications; training time; and the timing of the delivery of Equipment and inventory. You must comply with all ordinances and permit requirements.

You may not open your Cookie Advantage Business until: (1) we notify you in writing that all of your pre-opening obligations have been fulfilled; (2) you have completed the Initial Training Program to our satisfaction; (3) all amounts due to us have been paid; (4) we have been furnished with copies of all insurance policies and certificates required by the Franchise Agreement, or other documentation of insurance coverage and payment of premiums we request; (5) you notify us that all approvals and conditions stated in the Franchise Agreement have been met; (6) you have received all required permits and licenses; and (7) you have ordered and received your Equipment, supplies, inventory, and related materials. You must be prepared to open and operate your Cookie Advantage Business immediately after we state your Cookie Advantage Business is ready for opening.

Continuing Obligations

During the operation of your Cookie Advantage Business, we (or our designee(s)) will provide the following assistance and services to you:

1. At your reasonable request, consult with you regarding the continued operation and management of your Cookie Advantage Business, and advise you regarding services, sales techniques, product supply, customer relations, and similar topics. Advice will be given during our regular business hours and via written materials, electronic media, telephone, or other methods in our discretion (See Section 5 of the Franchise Agreement).

2. At your reasonable request, provide advice regarding your Cookie Advantage Business' operation based on reports or inspections. We also will guide you on standards, specifications, and operating procedures and methods that Cookie Advantage Businesses use; purchasing required and authorized Operating Assets and other items; advertising and marketing materials or programs; employee training; and administrative, bookkeeping, accounting, and inventory control procedures. Advice will be given during our regular business hours and via written materials, electronic media, telephone, or other methods in our discretion (See Section 5 of the Franchise Agreement).

3. Continue to loan to you, or make available to you on our website, one copy of our Confidential Operations Manual. The Confidential Operations Manual contains mandatory and suggested standards, specifications, operating procedures, and rules (“System Standards”). We may modify the Confidential Operations Manual periodically to reflect changes in System Standards (See Section 5 of the Franchise Agreement).

4. Issue and modify System Standards for Cookie Advantage Businesses. These modifications may require you to invest additional capital in the Cookie Advantage Business and/or incur higher operating expenses (See Section 5 of the Franchise Agreement).

5. License to you for your use, confidential and proprietary information designed to assist you in the operation of your Cookie Advantage Business (See Section 2 of the Franchise Agreement).

6. License to you for your use, our Marks, as discussed in Item 13 (See Section 7 of the Franchise Agreement).

7. Maintain and administer one or more websites to advertise, market, and promote Cookie Advantage Businesses and the products and services offered (each a “System Website”) (See Section 11.2 of the Franchise Agreement).

8. At your reasonable request, provide additional training for newly-hired personnel on the Cookie Advantage brand and System Standards, refresher training courses, and additional training or assistance that, in our discretion you need or request at our Bixby, Oklahoma headquarters. You must pay our then-current fee for additional training (currently \$250 per day), plus all travel, hotel, and living expenses of all personnel who attend our training.

9. Establish minimum and maximum resale prices for use with multi-area marketing programs and special price promotions (See Section 10.2 of the Franchise Agreement).

Optional Assistance

During the term of the Franchise Agreement, we (or our designee(s)) may, but are not required to, provide the following assistance and services to you:

1. Modify, update, or change the System, including the adoption and use of new or modified trade names, trademarks, service marks or copyrighted materials, new products, new equipment, or new techniques.

2. Make periodic visits to the Cookie Advantage Business for the purpose of assisting in all aspects of the operation and management of the Cookie Advantage Franchise, prepare written reports concerning these visits outlining any suggested changes or improvements in the operation of the Cookie Advantage Franchise, and detailing any problems in the operations which become evident as a result of any visit. If provided at your request, you must reimburse our expenses and pay our then-current training charges.

3. Hold periodic national or regional conferences to discuss business and operational issues affecting Cookie Advantage franchisees.

4. Reserve the right to establish minimum and maximum resale prices for use with multi-area marketing programs and special price promotions as allowed by law.

Advertising and Marketing

We currently do not require you to participate in any advertising programs. We are currently not required to, and do not, provide any advertising to you. We have established a website for Cookie Advantage Businesses and a local page for each Cookie Advantage Business. See System Website below in this Item. We may use any media for disseminating advertisements, including direct mail, print ads, the Internet, radio, billboards, and television. You may develop your own advertising, at your own cost, provided you obtain our prior approval in writing, which approval may be granted or denied in our sole discretion. We will review your request, and we will respond in writing within 15 days from the date we receive all requested information. Our failure to notify you in the specified time frame will be deemed a disapproval of your request. Use of logos, Marks, and other name identification materials must follow our approved standards. You may not use our logos, Marks, and other name identification materials on items to be sold or services to be provided without our prior written approval. If you use unauthorized advertising materials, you must pay us a fee of \$500 per occurrence.

We will not approve advertising that is false, inaccurate, or misleading, advertising that does not correctly use our Marks, or advertising that, in our sole discretion, contains offensive materials or disparages our name or good will (See Section 7.2 of the Franchise Agreement).

We do not require any contributions to a national marketing fund, nor do we require you to participate in a local or regional cooperative. We do not have any local or regional advertising cooperatives or advertising councils.

System Website

We have established a System Website for Cookie Advantage Businesses at www.cookieadvantage.com. We have also developed a local page on the System Website (“Local Page”) for each Cookie Advantage Business. Your Local Page will include information relating to your specific business location and select content that we provide from our System Website. Your Local Page will also showcase Cookie Advantage products and services. We reserve the right to change the requirements relating to your Local Page at any time. Your monthly Technology Fee includes website maintenance fees to the supplier that provides website maintenance services. All such information shall be subject to our approval prior to posting.

We may update and modify the Local Page from time to time. You must promptly notify us whenever any information on your listing changes or is not accurate. We have final approval rights of all information on the Local Page. We may implement and periodically modify System Standards relating to the Local Page.

We are only required to reference your Cookie Advantage Business on the System Website (including the Local Page) while you are in full compliance with your Franchise Agreement and all System Standards. If you are in default of any obligation under the Franchise Agreement or System Standards, we may temporarily remove references to your Cookie Advantage Business from the System Website until you fully cure the subject default(s).

Other than your Local Page, as described above, we retain the sole right to market on the Internet, including all use of websites, domain names, URL’s, linking, advertising, and co-branding arrangements. You may not, without our prior written approval, which may be withheld in our sole discretion, develop, maintain, or authorize any website that mentions or describes you, your Cookie Advantage Business, displays any of the Marks, or uses any domain name, address, locator, link, metatag, or search technique

with words or symbols similar to the Marks. We intend any franchisee website be accessed only through our home page. You will provide us content for our Internet marketing. We retain the right to approve any linking or other use of our System Website.

We may allow you to promote your business via alternate online strategies consistent with our online policy as contained in our Confidential Operations Manual. We have the right to review all online content on social media sites, blogs, in electronic communications, and on other online sites on which our trademarks are used to protect the reputation and high quality associated with our trademarks. We may require you to remove any questionable usage or content involving our trademarks. We may also require you to cease using our trademarks at all such sites or discontinue all use of such sites.

Software and Computer Equipment

You are required to purchase a computer system that consists of the following hardware and software (“Computer System”): (a) a personal computer running the latest Windows-10 operating system (you may purchase the brand of computer of your choice) and a 15-inch or larger flat panel monitor; (b) Microsoft Office 2016 suite or Office 365; (c) our custom designed Cookie Advantage Business Software, which contains web-based order entry and billing functions; and (d) a printer, fax machine, hub-router, network, and wiring.

We estimate the cost of purchasing the Computer System will be approximately \$2,500 to \$4,000. The Computer System will manage the daily workflow of the Cookie Advantage Business, coordinate the customer ordering experience, scheduling, and other information. You must record all Gross Revenue on the Computer System. You must store all data and information in the Computer System that we designate, and report data and information in the manner we specify. The Computer System will generate reports on the Gross Revenue of your Cookie Advantage Franchise. You must also maintain a high-speed Internet connection at the Cookie Advantage Business. You must use our designated payment vendors. We are not required to provide you with any ongoing maintenance, repairs, upgrades, updates, or support for the Computer System (See Section 3.4 of the Franchise Agreement). You must arrange for installation, maintenance, and support of the Computer System at your cost. There are no limitations in the Franchise Agreement regarding the costs of such required support, maintenance, repairs, or upgrades relating to the Computer System.

The cost of maintaining, updating, or upgrading the Computer System or its components will depend on your repair history, costs of computer maintenance services in your area, and technological advances. We estimate the annual cost will be approximately \$500, but this could vary (as discussed above). We may revise our specifications for the Computer System periodically. You must upgrade or replace your Computer System at such time as specifications are revised. There is no limitation on the frequency and cost of this obligation.

We own all data generated by the Computer System concerning the Cookie Advantage Business, including data and customer lists stored in the Computer System and on any Internet website. We (or our designee(s)) have the right to and may independently access the electronic information and data relating to your Cookie Advantage Franchise, and to collect and use your electronic information and data in any manner, including to promote the System and the sale of Cookie Advantage Franchises. This may include posting financial information of each franchisee on an intranet website. There is no contractual limitation on our right to receive or use information through our proprietary data management and intranet system. The information collected by us about your territory with the Cookie Advantage Business Software will be available to you upon request, and at no cost to you; however, you will not be able to independently obtain this information without requesting the information from us. We have

independent access to the electronic information and data generated and stored in your Computer System whether it be remotely, in your Cookie Advantage Business, or from other locations.

You must license and use the Cookie Advantage Business Software from us. We do not have any obligation to provide upgrades to the Cookie Advantage Business Software. We may charge you if we provide upgrades.

If you are in default of any obligations under the Franchise Agreement, we may, in addition to any other remedy we may have under the Franchise Agreement, temporarily inhibit your access to all or part of the Computer System, including the Cookie Advantage Business Software, until you have cured such default completely.

Training

Initial Training

You (or the managing owner if you are an entity) and your designated manager (if any) must complete the Initial Training Program and Pre-Opening Training Program to our satisfaction before you open your Cookie Advantage Business. Our Initial Training Program is conducted in Bixby, Oklahoma or such other place as we designate (See Section 4.2 of the Franchise Agreement). Our Pre-Opening Training Program is conducted at your Bakery. We provide the Initial Training Program and Pre-Opening Training Program at no cost to you (or the managing owner if you are an entity) and your designated manager (if any), and any employees we designate so long as all trainees receive their training at the same training session (See Section 4.2 of the Franchise Agreement).

Initial training classes are held whenever necessary to train new franchisees. You will not receive any compensation or reimbursement for services or expenses for participation in the Initial Training Program or Pre-Opening Training Program. You are responsible for all your expenses to attend any training program, including lodging, transportation, food, and similar expenses.

We plan to provide the training listed in the table below. We reserve the right to vary the length and content of the Initial Training Program and Pre-Opening Training Program based upon the experience and skill level of the individual attending the program.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Operations Training	22	4	Bixby, OK, or other location we designate
Real Estate and Development	2	4	Bixby, OK, or other location we designate
Administration	2	4	Bixby, OK, or other location we designate
Store Opening Assistance	2	4	Bixby, OK, or other location we designate
TOTALS	28	16	

Notes:

1. The Initial Training Program will be conducted in segments. We will use the Confidential Operations Manual as the primary instruction materials during the Initial Training Program.
2. Kim Carns, Duane Carns, Kevin Carns, and Pixie Greenhaw currently oversee our training program. Kim Carns has been our Vice President, Secretary, and Treasurer since our inception in 2001. Ms. Carns has over 20 years of experience in outside sales, and more than ten years of experience with software. Duane Carns has been our President since our inception in 2001. Mr. Carns has over 30 years of sales experience and experience in the daily operations of the Cookie Advantage Business since 2001. Kevin Carns has been working in the Cookie Advantage system for over ten years and is proficient in bakery training and shipping of products. Pixie Greenhaw has over 15 years of experience in custom printing, more than ten years of which are with the Cookie Advantage Franchise System.
3. Other instructors will have at least one year of relevant work experience in their designated subject area.

Ongoing Training

You, your owners, and any managers, independent contractors, and employees that we designate must attend and satisfactorily complete various training courses that we periodically require at your cost and at the times and locations we designate. In addition to participating in ongoing training, you will be required to attend any annual meeting or conference of franchisees, if we hold an annual meeting, at a location we designate. We estimate that this training will be no longer than five days per year. You are responsible for the conference fee (if any), and all travel and expenses for your attendees (See Section 4.2 of the Franchise Agreement).

We periodically may provide and require that you, your managing owner, and/or your designated manager attend seminars or refresher training programs. Attendance at these refresher training programs will be at your sole expense; however, we do not anticipate attendance will be required more than once per calendar year.

ITEM 12 TERRITORY

The Franchise Agreement for your Cookie Advantage Business grants you a protected territory (“Territory”) based on the geographic area and populations properties within that area and other relevant demographic characteristics. We will use commercially reasonable efforts to grant only one franchise to a Cookie Advantage Business for any area with a population of up to 1.5 million people. The population statistics used in determining your Territory will be based on numbers derived from the current U.S. Census report and supplemented with other information available and other population statistical sources of our choosing to determine populations. In certain densely populated metropolitan areas, the size of the territory may be small if it has a high population density, while franchisees operating in less densely populated urban areas may have significantly larger areas. You will operate your Cookie Advantage Business from your Bakery. You may not relocate the Cookie Advantage Business without our approval, which will be based on the following: where your new Bakery will be located; whether or not such relocation will infringe upon the rights of other Cookie Advantage Businesses; and the time it will take to relocate your Cookie Advantage Business.

You will not receive an exclusive territory. You may face competition from other Cookie Advantage Businesses, from outlets that we own, or from other channels of distribution or competitive brands that we control. For example, marketing programs and customers may cross over territory boundaries.

Your Territory will be identified in an attachment to your Franchise Agreement. You will be permitted to engage in direct advertising and solicitation of clients only within the boundaries of your Territory, unless we approve otherwise. Except as permitted by the Franchise Agreement, we will not establish or license any other person or entity to establish a principal place of business or business address within your Territory.

We, and our affiliates, have the right to operate, and to license others to operate, Cookie Advantage Businesses at any location outside the Territory, even if doing so will or might affect the operation of your Cookie Advantage Business. We retain the right, for ourselves and our affiliates, on any terms we deem advisable, and without granting you any rights: (1) to own, franchise, or operate Cookie Advantage Businesses at any location outside of the Territory, regardless of the proximity to your Cookie Advantage Business; (2) to use the Marks and the System to sell any products or services the same as or similar to those that you will sell through any alternative channels of distribution within or outside of the Territory including retail locations and other channels of distribution such as television, mail order, catalog sales, wholesale to unrelated retail outlets, or over the Internet (we exclusively reserve the Internet as a channel of distribution for us, and you may not independently market on the Internet or conduct e-commerce); (3) to use and license the use of other proprietary and non-proprietary marks or methods that are not the same as or confusingly similar to the Marks, whether in alternative channels of distribution or in the operation of a business offering cookies and related goods as gift items, at any location, including within the Territory, which may be similar to or different from the Cookie Advantage Business operated by you. Although we reserve the rights described, neither we nor any affiliate, operates, franchises or has plans to operate or franchise a business under a different trademark that sells or will sell goods or services similar to those offered by you or our other Franchises; (4) to engage in any transaction, including to purchase or be purchased by, to merge or combine with, to convert to the System or be converted into a new system or chain with any business whether franchised or corporately owned, including a business that competes directly with your Cookie Advantage Business, wherever located, provided that in such situations the newly acquired businesses located inside your Territory will not operate under the Marks; (5) to service national accounts within the Territory, or allow other Bakery franchises or third parties to service national accounts if the franchisee is in default, unable, or unwilling to provide necessary products or services or as otherwise described below; and (6) to implement multi-area marketing programs that may allow us or others to solicit or sell to customers anywhere, including issuing mandatory policies to coordinate such multi-area marketing programs; (7) to use and license the use of technology to non-franchisee locations inside and outside your Territory; and (8) to engage in any other business activities not expressly prohibited by the Franchise Agreement, both within and outside your Territory. We also reserve the right to issue mandatory policies to coordinate such multi-area marketing programs.

We retain all rights to service or designate ourselves or other franchisees to service National Accounts (as described below) in your Territory. You are not entitled to any National Account work in your Territory. “National Account” means any customer: (i) that conducts its business for its own account or through agents, affiliates, independent contractors, or franchisees in two or more of our territories; (ii) a regional or national chain with three or more locations, which customer or chain has contracted with us to obtain Bakery products and services for two or more of its locations from us, our affiliates and/or franchisees; or (iii) which owns, manages, controls, or otherwise has responsibility for businesses in more than one location and whose presence is not confined within any one particular

franchisee's territory. If we permit you to service National Accounts, you will be required to follow all rules and regulations that we put into place, including those described in the Franchise Agreement. If we or another party are providing services or products to a National Account customer in your Territory, you will not receive any compensation related to these services or products.

We reserve the exclusive right to negotiate and enter into agreements with National Account customers to provide services wherever such businesses are located, including within your Territory. If a National Account customer requests services in your Territory: (a) if the National Account customer requests that CAI or another franchisee provide services to the National Account within your Territory, then CAI or such franchisee will be given the work, and CAI or such franchisee will be providing services within your Territory, and (b) otherwise, we will give you a first right of refusal to a National Account customer within your Territory, and you will have five business days to exercise such right of first refusal. You won't provide services to any National Accounts without our prior written consent, which may be granted in our sole discretion.

If we receive any orders through any alternative distribution channels for delivery within your Territory, we will offer that order to you. If you decline or are unable to fill the order, we reserve the right to fulfill it, directly or indirectly, without compensation to you.

You are prohibited from directly or indirectly soliciting sales or accepting orders from customers and/or consumers who are located outside of your Territory; provided, however, if such sales/orders are for a National Account, you must comply with our National Account rules and regulations. You ~~do not~~ may not ~~have the right to use~~ sell products through other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing firms to make sales outside your Territory. Neither we nor any franchisee is required to pay any compensation to any other franchisee for such sales or orders. We do not pay you for soliciting or accepting orders within your Territory.

The continuation of the Territory is not dependent upon your achievement of a certain sales volume, market penetration, or other contingency.

If you wish to purchase an additional Cookie Advantage Franchise, you must apply to us and we may, at our discretion, offer an additional Franchise to you. We consider a variety of factors when determining whether to grant additional Franchises. Among the factors we consider, in addition to the then-current requirements for new Cookie Advantage franchisees, are whether the franchisee is in compliance with the requirements under their current franchise agreement. You do not receive the right to acquire additional Cookie Advantage Franchises within the Territory. You are not given a right of first refusal on the sale of existing Cookie Advantage Franchises.

We are not required to pay you if we exercise any of our rights within your Territory. The continuation of the Territory is not dependent upon your achievement of a certain sales volume, market penetration or other contingency (other than complying with the terms of the Franchise Agreement). We will not be required to pay any compensation for soliciting or accepting orders inside your Territory, including any delivery orders accepted or solicited by other Cookie Advantage franchisees.

ITEM 13 TRADEMARKS

The Franchise Agreement and your payment of Royalties grant you the non-exclusive right and license to use the System, which includes the use of the proprietary Marks. You may also use other future trademarks, service marks, and logos we approve to identify your Cookie Advantage Franchise.

The Marks and the System are owned by us. We have registrations with the United States Patent and Trademark Office (“USPTO”) for the following Marks:

Registered Mark	Registration Date	Registration Number	Register
	July 25, 2000	2,370,515	Registered on the Principal Register
Cookie Advantage	December 1, 2015	4,862,931	Registered on the Principal Register

All required affidavits and renewals have been filed for the registered Marks.

There are no effective adverse material determinations of the USPTO, the Trademark Trial and Appeal Board, or the trademark administrator of any state or any court, and no pending infringement, opposition, or cancellation proceedings or material litigation involving the Marks. No agreement significantly limits our right to use or license the Marks in a manner material to your Franchise. We do not know of any superior prior rights or infringing uses that could materially affect your use of the Marks in any state.

You must follow our rules when using the Marks. You cannot use our name or Marks as part of a corporate name or with modifying words, designs, or symbols unless you receive our prior written consent. You must indicate to the public in any contract, advertisement, and with a conspicuous sign on your Bakery that you are an independently owned and operated licensed franchisee of CAI. You may not use the Marks in the sale of unauthorized products or services or in any manner we do not authorize. You may not use the Marks in any advertising for the transfer, sale, or other disposition of the Cookie Advantage Business or any interest in the Franchise. All rights and goodwill from the use of the Marks accrues to us.

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

You must prominently display the Marks on or with Franchise posters and displays, service contracts, stationery, other forms we designate, and in the manner we prescribe; to give any notices of trade and service mark registrations and copyrights that we specify; and to obtain any fictitious or assumed name registrations that may be required under applicable law.

If it becomes advisable at any time, in our sole discretion, for us and/or you to modify or discontinue using any Marks and/or use one or more additional or substitute trademarks or service marks, you must comply with our directions within a reasonable time after receiving notice. We will not reimburse you for your direct expenses of changing signage, for any loss of revenue, or other indirect expenses due to any modified or discontinued Marks, or for your expenses of promoting a modified or substituted trademark or service mark.

You agree to immediately notify us in writing of any apparent infringement of or challenge to your use of any Mark, or claim by any person of any rights in any Mark or similar trade name, trademark, or service mark of which you become aware. You agree not to communicate with anyone except us and our counsel in connection with any such infringement, challenge, or claim. We have the right to exclusively control any litigation or other proceeding arising out of any actual or alleged infringement, challenge, or claim relating to any Mark. You agree to sign any documents, render any assistance, and do any acts our attorneys say is necessary or advisable to protect and maintain our interests in any litigation or proceeding related to the Marks, or to otherwise protect and maintain our interests in the Marks. We agree to indemnify you against, and reimburse you for, all damages for which you are held liable in any trademark infringement proceeding arising out of your use of any Mark in compliance with your Franchise Agreement, and for all costs you reasonably incur in the defense of any such claim in which you are named as a party, so long as you have timely notified us of the claim, and have otherwise complied with your Franchise Agreement.

We have no obligation to pursue any infringing users of our Marks. If we learn of an infringing user, we will take the action appropriate, but we are not required to take any action if we do not feel it is warranted. You must not directly or indirectly contest our right to the Marks. We may acquire, develop, and use additional marks not listed here, and may make those marks available for your use and for use by other franchisees. You may not use or register the Marks as an Internet domain name or on a website.

ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

The information in the Confidential Operations Manual is proprietary and is protected by copyright and other laws. The designs contained in the Marks, the layout of our advertising materials, the content and format of our products, and any other writings and recordings in print or electronic form are also protected by copyright and other laws. Although we have not applied for copyright registration for the Confidential Operations Manual, our advertising materials, the content and format of our products, or any other writings and recordings, we claim common law and federal copyrights in these items. We grant you the right to use this proprietary and copyrighted information (“Copyrighted Works”) for the operation of your Cookie Advantage Franchise, but such copyrights remain our sole property.

There are no effective determinations of the United States Copyright Office or any court regarding the Copyrighted Works of ours, nor are there any effective agreements between us and third parties pertaining to the Copyrighted Works that will or may significantly limit using our Copyrighted Works. Our Confidential Operations Manual, electronic information and communications, sales and promotional materials; the development and use of our System, standards, specifications, policies, procedures, information, concepts, and systems on, knowledge of, and experience in the development, operation, and franchising of Cookie Advantage Franchises; our training materials and techniques; information concerning product and service sales, operating results, financial performance, and other financial data of Cookie Advantage Franchises; and other related materials are proprietary and confidential (“Confidential Information”), and are our property to be used by you only as described in the Franchise Agreement or the Confidential Operations Manual. Where appropriate, certain information has

also been identified as trade secrets (“Trade Secrets”). You must maintain the confidentiality of our Confidential Information and Trade Secrets and adopt reasonable procedures to prevent unauthorized disclosure of our Confidential Information and Trade Secrets.

We will disclose parts of the Confidential Information and Trade Secrets to you as we deem necessary or advisable for you to develop your Cookie Advantage Franchise during training and in guidance and assistance furnished to you under the Franchise Agreement, and you may learn or obtain from us additional Confidential Information and Trade Secrets during the term of the Franchise Agreement. The Confidential Information and Trade Secrets are valuable assets of ours and are disclosed to you on the condition that you and your owners if you are a business entity, and employees agree to maintain the information in confidence by entering into a confidentiality agreement we can enforce. Nothing in the Franchise Agreement will be construed to prohibit you from using the Confidential Information or Trade Secrets in the operation of other Cookie Advantage Franchises during the term of the Franchise Agreement.

All ideas, concepts, techniques, or materials concerning a Cookie Advantage Business, whether or not they are protected intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the Cookie Advantage Business System, and works-made-for-hire for our use. To the extent that any item does not qualify as a “work-made-for-hire” for us, you must assign ownership of that item, and all related rights to that item, to us and must take whatever action, including executing an assignment agreement or other documents, that we request to show our ownership or to help us obtain intellectual property rights in the subject item(s).

You must notify us within three days after you learn about another’s use of language, a visual image, or a recording of any kind, that you perceive to be identical or substantially similar to one of our Copyrighted Works or use of our Confidential Information or Trade Secrets, or if someone challenges your use of our Copyrighted Works, Confidential Information, or Trade Secrets. We will take whatever action we deem appropriate, in our sole and absolute discretion, to protect our rights in and to the Copyrighted Works, Confidential Information, or Trade Secrets, which may include payment of reasonable costs associated with the action. However, the Franchise Agreement does not require us to take affirmative action in response to any apparent infringement of or challenge to your use of any Copyrighted Works, Confidential Information, or Trade Secrets, or claim by any person of any rights in any Copyrighted Works, Confidential Information, or Trade Secrets. You must not directly or indirectly contest our rights to our Copyrighted Works, Confidential Information, or Trade Secrets. You may not communicate with anyone except us, our counsel, or our designees regarding any infringement, challenge, or claim. We will take action as we deem appropriate regarding any infringement, challenge, or claim, and the sole right to control exclusively any litigation or other proceeding arising out of any infringement, challenge, or claim under any Copyrighted Works, Confidential Information, or Trade Secrets. You must sign any and all instruments and documents, give the assistance, and do acts and things that may, in the opinion of our counsel, be necessary to protect and maintain our interests in any litigation or proceeding, or to protect and maintain our interests in the Copyrighted Works, Confidential Information, or Trade Secrets.

 No patents or patents pending are material to us at this time.

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

The Cookie Advantage Business shall be managed by you, or if you are an entity, by one of your owners who is a natural person with at least a one-third ownership interest and voting power in the entity (“Managing Owner”). We may, in our sole discretion, allow you to appoint a designated manager (“Designated Manager”) to run the day-to-day operations of the Cookie Advantage Business. The Designated Manager must successfully complete our training program (See Item 11). We may require that the Designated Manager have an ownership interest in the legal entity of the franchisee. If you replace a Designated Manager, the new Designated Manager must satisfactorily complete our training program at your own expense. The Designated Manager, if applicable, or you (or the Managing Owner if you are an entity), is solely responsible for your employees and the terms and conditions of their employment.

~~The Designated Manager, if applicable, or you (or the Managing Owner if you are an entity), is solely responsible for your employees and the terms and conditions of their employment.~~

Any Designated Manager and, if you are an entity, an officer that does not own equity in the franchisee entity must sign the System Protection Agreement, which is attached to this Franchise Disclosure Document in Exhibit H. All of your employees, independent contractors, agents, or representatives that may have access to our Confidential Information must sign a Confidentiality Agreement (unless they already signed a System Protection Agreement), which is attached to this Franchise Disclosure Document in Exhibit H. If you are an entity, each direct and indirect owner (i.e., each person holding a direct or indirect ownership interest in you) must sign an Owners Agreement guarantying the obligations of the entity, which is attached to the Franchise Agreement as Attachment C. We also require that the spouses of the Franchise owners sign the Owners Agreement. Both the Systems Protection Agreement and Confidentiality Agreement contain restrictions on the use of know-how and Intellectual Property to the Cookie Advantage Business while maintaining the confidentiality of such information and prohibits unfair competition during the business relationship as well as after the relationship within the restricted territory for the Designated Manager.

You may not employ any Designated Manager or appoint any Managing Owner who does not complete our Initial Training Program to our satisfaction. If a Designated Manager’s employment with you is terminated, and your Managing Owner will not manage your Bakery, you must appoint a new Designated Manager who must successfully complete our Initial Training Program 60 days after the termination of the former Designated Manager, unless we do not hold an Initial Training Program during that 60-day period, in which case the replacement Designated Manager must attend and successfully complete the first available Initial Training Program held by us. You may be charged a training fee for a replacement Designated Manager or Managing Owner, and the travel expenses and salary and benefits must be paid by you (See Item 6). The factors used by us in determining whether you will be charged a training fee include the location of training, the length and type of training necessary, the costs borne by us in conducting the training, the replacement Designated Manager or Managing Owner’s previous experience and skill, and our availability.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must sell or offer for sale only those products and services authorized by us and that meet our standards and specifications. You must follow our policies, procedures, methods, and techniques. You must sell or offer for sale all types of products and services specified by us. We may change or add

to our required products and services at our discretion with prior notice to you. If we change or add to our required products and services, the changes or additions will remain in permanent effect, unless we specify otherwise. The amount you must pay for the changes or additions will depend upon the nature and type of changes or additions. You must discontinue selling and offering for sale any products or services that we disapprove. We reserve the right to establish minimum and maximum resale prices for use with multi-area marketing programs and special price promotions in compliance with the law.

You may only establish accounts or participate in social networking sites, crowdfunding campaigns or blogs subject to our online policies, which requires our prior written permission. Our online policy may change to completely prohibit you from any use of the Marks in social networking sites or other online use. You may not sell products through other channels of distribution such as wholesale, Internet, or mail order sales. We reserve the right to restrict your provision of products and services to National Account locations under our policies.

**ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
(a) Length of the Franchise term	Section 2.1	Five years.
(b) Renewal or extension of the term	Section 2.4	If you are in good standing and you meet other requirements, you may enter into one additional successor term of five years.
(c) Requirements for Franchisee to renew or extend	Section 2.4	Under the Franchise Agreement, give us timely written notice; be in compliance with the terms the Franchise Agreement at the time of renewal; sign the new franchise agreement, provisions of which may differ materially from those contained in the Franchise Agreement, a release (if law allows), and other documents we use to grant Franchises; update the appearance and Equipment to the standards then required of new franchisees; and pay the renewal fee. A “renewal” of the Franchise Agreement means to enter into a successor franchise agreement and any ancillary documents for five years at the end of the Franchise Agreement’s five-year term. You may be asked to sign a contract with materially different terms and conditions than your initial contract.

Provision	Section in Franchise Agreement	Summary
(d) Termination by Franchisee	Section 15	If you are in full compliance with the Franchise Agreement and we materially fail to comply with the Franchise Agreement and do not cure within 30 days after you deliver written notice of such material failure or provide reasonable evidence of our effort to correct the failure within a reasonable time, you may terminate the Franchise Agreement, effective an additional 30 days after you deliver written notice of termination, subject to applicable state law.
(e) Termination by franchisor without cause	Not applicable	Not applicable.
(f) Termination by franchisor with cause	Section 15	We can terminate upon certain violations of the Franchise Agreement by you.
(g) “Cause” defined - curable defaults	Section 15	You have three days to cure health, safety, or sanitation law violations, or failure to operate safely. You have ten days to cure monetary defaults. You have 20 days to comply with standards, specifications, or operating procedures.
(h) “Cause” defined - non-curable defaults	Section 15	Non-curable defaults under the Franchise Agreement include: material misrepresentation in acquiring the Franchise; three or more insufficient funds or returned checks in any one calendar year; failure to open the Cookie Advantage Business within required time period; failure to use required supplies or tools; failure to complete training; abandonment; unapproved transfers; conviction of a felony or plead no contest to any crime or offense likely to adversely affect the reputation of the System; failure to maintain insurance; engagement in unauthorized or unethical behavior that has an adverse effect; unauthorized use or disclosure of the Confidential Operations Manual or other Confidential Information; failure to pay taxes; repeated defaults (even if cured); an assignment for the benefit of creditors; bankruptcy, appointment of a trustee or receiver; or termination of any other Franchise Agreement or other agreement between you or your affiliates and us; failure to submit reports on three occasions in 12 months.
(i) Franchisee’s obligations on termination/ non-renewal	Section 16	Under the Franchise Agreement, obligations include paying outstanding amounts, including the balance of Royalties from the date of termination until the scheduled expiration date of the Franchise Agreement; complete de-identification, including removal of signs and Marks; remodeling and reconfiguring of the Bakery and/or Equipment as necessary to distinguish it from its former appearance; removing all trade dress and distinguishing Marks; notifying telephone company and telephone directory publishers of the termination of your right to use any numbers associated with our Marks and authorizing the transfer or forwarding of the numbers and directory listings at our direction; notifying all members

Provision	Section in Franchise Agreement	Summary
		of the Cookie Advantage Business of the termination and refunding to members any monies paid to you for which they are entitled to a refund; ceasing to use and returning Confidential Information; and delivering to us copies of the entire customer file for each customer, which includes referrals, credit card and bank information, and any other membership information; complying with non-competition covenants.
(j) Assignment of contract by franchisor	Section 14.3	No restriction on our right to assign.
(k) “Transfer” by Franchisee - definition	Section 14.4	Under the Franchise Agreement, includes transfer of Franchise Agreement, Cookie Advantage Business, or any right to receive its profits, losses, or capital appreciation; substantially all of the assets of the Cookie Advantage Business; any ownership interest in you; or any ownership in any of your owners if such owners are legal entities.
(l) Franchisor’s approval of transfer by Franchisee	Section 14.4	You may not transfer the Franchise Agreement without our prior written approval.
(m) Conditions for franchisor’s approval of transfer	Section 14.5	Under the Franchise Agreement, you are not in default of the Franchise Agreement, new Franchise owner qualifies; you pay us and third-party vendors all amounts due; submit all required reports; new Franchise owner (and its owners and affiliates) are not in a competitive business; training completed; lease permitted to be transferred; you or transferee signs our then-current franchise agreement and other documents, provisions of which may differ materially from those contained in the Franchise Agreement; pay transfer fee; you sign release (if law allows); you and any other direct or indirect owners execute a guaranty; we approve material terms; you subordinate amounts due to you; you cease to use the Marks; transferee agrees to upgrade and remodel the Cookie Advantage Business within specified time frame after transfer and to deposit with us the estimated cost to complete such upgrade; and you and your owners and your and their immediate families will not engage in a competitive business or solicit our customers for a specified time frame after the transfer; must have offered us an opportunity to exercise our right of first refusal; reimburse us for costs of transfer, including broker fees.
(n) Franchisor’s right of first refusal to acquire Franchisee’s business	Section 14.6	We may match any offer for your Cookie Advantage Business or an ownership interest in you.
(o) Franchisor’s right to purchase Franchisee’s business	Section 16.6	Under the Franchise Agreement, we may, but are not required to, purchase the Cookie Advantage Business and its premises by giving you written notice of our intent to exercise this option within 30 days after the date of termination.

Provision	Section in Franchise Agreement	Summary
(p) Death or disability of Franchisee	Section 14.7	Your representative must transfer your interest in the Franchise Agreement to a third party within a reasonable time, but no later than six months after the death or disability, and must also appoint a manager who must complete training and be acceptable to us or, if not, we may assume management.
(q) Non-competition covenants during the term of the Franchise	Section 9.3	Under the Franchise Agreement, no diverting or attempting to divert business; no ownership interest in or performing services for competitive business located anywhere, subject to applicable state law.
(r) Non-competition covenants after the Franchise is terminated or expires	Section 16.5	For two years beginning on the effective date of termination or expiration of the Franchise Agreement, you and your owners and your spouses Owners may not have any direct or indirect an interest in, own, manage, operate, finance, control; or participate in any competitive business within you (i) a 50-mile radius from Franchisee's business; (ii) a 50-mile radius of Franchisee's Territory or within 50 miles of your Territory or any; and (iii) a 50-mile radius from all other Cookie Advantage Business in operation businesses that are operating or under construction on for two year(s). If you or your Responsible Owner engages in any activities prohibited by the Franchise Agreement during the restricted period, then the effective date of termination or expiration of the Franchise Agreement, subject to restricted period applicable state law to you or the non-compliant Responsible Owner shall be extended by the period of time during which you or the non-compliant Responsible Owner, as applicable, engaged in the prohibited activities.
(s) Modification of the agreement	Sections 5.3, 17.1 and 21	Under the Franchise Agreement, we reserve the right to vary System Standards for any Franchise owner.
(t) Integration/merger clause	Section 21	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to state law). Any representations or promises outside of this Franchise Disclosure Document and Franchise Agreement may not be enforceable.
(u) Dispute resolution by arbitration or mediation	Section 17.9	Under the Franchise Agreement, except for controversies, disputes, or claims related to improper use of Marks or Confidential Information, all controversies, disputes, or claims between us must be submitted first for mediation, and if mediation is unsuccessful, for binding arbitration on demand of either party. The arbitration will be conducted in the city closest to our principal place of business (currently Bixby, Oklahoma), subject to applicable state law.
(v) Choice of forum	Section 17.11	Litigation and arbitration must be in the city closest to our principal place of business (currently Bixby, Oklahoma), subject to applicable state law.

Provision	Section in Franchise Agreement	Summary
(w) Choice of law	Section 17.11	Oklahoma law applies, subject to applicable state law.

**ITEM 18
PUBLIC FIGURES**

We do not use any public figure to promote our Franchise.

**ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS**

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

As of December 31, ~~2023~~2022, there were ~~three~~four company-owned Cookie Advantage ~~Business~~Businesses owned by our affiliate and 19 franchised Cookie Advantage Businesses (“Franchised Outlets”). ~~We include the~~have included financial ~~data of~~information for all of the Franchised Outlets. ~~We have not included the company-owned Cookie Advantage Businesses in this Item 19.~~

~~We obtained the following results for the 2023 calendar year. The financial information was prepared from Gross Revenue~~internal accounting records and reports generated by the Computer System for all Franchised Outlets. The numbers have not been audited but we have no reason to doubt their accuracy.

**2023 Annual Gross Revenue for the Franchised Outlets
During the Reporting Period**

	Average	Median	Highest Gross Revenue	Lowest Gross Revenue	Number and Percentage that Met or Exceeded the Average Gross Revenue
Gross Revenue	\$338,444 <u>352.9</u> <u>25.28</u>	\$295,068 <u>\$270,</u> <u>567.05</u>	\$1,058,801 <u>153</u> <u>,082.55</u>	\$81,390 <u>\$61,35</u> <u>9.74</u>	5 <u>10</u> of 19 / 26% <u>53%</u>

Notes:

(1) For purposes of this Item 19, “Gross Revenue” means the total revenue derived from the sale of goods or services less sales tax, discounts, allowances, and returns.

(2) Average sales~~Gross Revenue~~ was calculated by taking the total Gross Revenue of the ~~Reporting Group~~Franchised Outlets of \$6,430,436705,580 and dividing by the number of ~~franchisees in the Reporting Group~~Franchised Outlets (19). The median number was the 10th out of 19 Franchised Outlets.

~~(2) —“Gross Revenue” means all revenues derived from all sales of products and/or services of every kind or nature sold from, at, or in connection with the operation of the Cookie Advantage Business, or otherwise arising out of the operation of the Cookie Advantage Business (including all proceeds from any business interruption insurance), including the full redemption value of any gift certificate or coupon sold for use at the Cookie Advantage Business (fees retained by or paid to third party sellers of such gift certificates or coupons are not excluded from this calculation), and all income and consideration of every other kind and nature related to the Bakery operation, whether for cash or credit, and regardless of collection. Gross Revenue do not include the amount of any tax imposed by any federal, state, municipal, or other governmental authority, and all customer refunds, valid discounts and coupons, and credits made by the Bakery (exclusions will not include any reductions for credit card user fees, returned checks, or reserves for bad credit or doubtful accounts).~~

(3) The financial performance representations above 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 figures to obtain your net income or 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 Disclosure Document, may be one source of this information. Written substantiation for the financial performance representation will be made available to prospective franchisees upon reasonable request.

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

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting Duane Carns at Cookie Advantage, 7 North Armstrong, Bixby, Oklahoma 74008; Phone (918) 369-4777; Fax (918) 369-5200; Toll Free (888) 626-6543, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

System-wide Outlet Summary
For Years ~~2020-2021-2023~~2022

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021 2020	21	21 19	0 -2
	2021 2022	21 19	19	-2 0
	2023 2022	19	19	0

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Company-Owned	2021 2020	1	1 3	0 +2
	2022 2021	1 3	3	+2 0
	2023 2022	3	3 4	0 +1
Total Outlets	2021 2020	22	22	0
	2022 2021	22	22	0
	2023 2022	22	22 24	0 +1

Table No. 2

Transfers of Franchised Outlets to New Owners
(other than the Franchisor)
For Years 2020-2021-2023~~2022~~

State	Year	Number of Transfers
<u>Alabama</u>	2020	0
<u>Tennessee</u>	2021	0 1
	2022	0
<u>Florida</u>	2020 2023	0
	2021	0
<u>Oklahoma</u>	2022	0
	2020	0
	2021	0
<u>Texas</u>	2022	0
	2020 2021	0
	2021	0
<u>Tennessee</u>	2022	0
	2020	0
	2023 2021	1
Totals	2022	0
	2021 2020	0 1
	2020	1
	2023	0

Table No. 3

Status of Franchised Outlets
For Years 2020-2021-20232022

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Alabama	2021 2020	1	0	0	0	0	0	1
	2022 2021	1	0	0	0	0	0	1
	2022 2022	0	0	0	0	0	0	0
Arkansas	2021 2020	1	0	0	0	0	0	1
	2022 2021	1	0	0	0	0	0	1
	2022 2022	1	0	0	0	0	0	1
Colorado	2021 2020	2	0	0	0	0	0	2
	2022 2021	2	0	0	0	0	0	2
	2022 2022	2	0	0	0	0	0	2
Florida	2021 2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	0	0	0	0	0	0	0
Georgia	2020 2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Idaho/Montana/Wyoming**	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Iowa/Nebraska/North Dakota/South Dakota**	2021 202	1	0	0	0	0	0	1
	2022 202	1	0	0	0	0	0	1
	2022 202	1	0	0	0	0	0	1
Illinois	2021 202	2	0	0	0	0	0	2
	2022 202	2	0	0	0	0	0	2
	2022 202	2	0	0	0	0	0	2
Kansas	2021 202	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Louisiana	2020 202	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Minnesota	2021 202	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Missouri	2021 202	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
North Carolina	2021 2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Ohio	2020 2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Oklahoma	2021 2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Tennessee	2021 2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Texas	2021 2020	5	0	0	0	0	0	5
	2022 2021	5	0	0	0	0	0	5
	2022 2020	5	0	0	0	0	0	5
Utah	2021 2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Wisconsin	2021 2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Total	2021 2020	21	0	0	0	0	0	21
	2022 2021	21	0	0	0	0	0	21

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
	2022 <u>2023</u>	19	0	0	0	0	0	19

**Sold as a single Franchise

Table No. 4

Status of Affiliate-Owned Outlets
For Years ~~2020-2022~~2021-2023

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Alabama	2021 <u>2020</u>	0	0	<u>0</u> 1	0	0	<u>0</u> 1
	2022 <u>2021</u>	<u>0</u> 1	0	<u>1</u> 0	0	0	1
	2022 <u>2023</u>	1	0	0	0	0	1
Florida	2021 <u>2020</u>	0	0	<u>0</u> 1	0	0	<u>0</u> 1
	2021 <u>2022</u>	<u>0</u> 1	0	<u>1</u> 0	0	0	1
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Nevada	<u>2021</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2022</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2022 <u>2023</u>	1	<u>0</u> 1	0	0	0	1
Oklahoma	2021 <u>2020</u>	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	<u>2022</u>	1	0	0	0	0	1
<u>Totals</u>	2020 <u>2023</u>	1	0	0	0	0	1
<u>Totals</u>	2021	1	0	2	0	0	3
	2022	3	0	0	0	0	3
	<u>2023</u>	<u>3</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>

Table No. 5

Projected Openings as of
December 31, 2022/2023

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Florida Alabama	0	<u>2</u> 1	0
Georgia	<u>0</u>	<u>1</u>	<u>0</u>
Michigan	0	1	0
Nevada	0	1	0
Total	0	<u>4</u> 3	0

The names, addresses, and telephone numbers of our current franchisees are attached to this Franchise Disclosure Document as Exhibit F. The name and last known address and telephone number of every current franchisee who has had a Franchise terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement during the one-year period ending December 31, ~~2022~~2023, or who has not communicated with us within ten weeks of the Issuance Date of this Franchise Disclosure Document is listed in Exhibit F. In some instances, current and former franchisees may sign provisions restricting their ability to speak openly about their experiences with the Cookie Advantage Franchise System. You may wish to speak with current and former franchisees, but know that not all such franchisees can communicate with you. During the last three fiscal years, we have not had any franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with the Cookie Advantage Franchise System. If you buy a Cookie Advantage Franchise, your contact information may be disclosed to other buyers when you leave the Franchise System.

As of the Issuance Date of this Franchise Disclosure Document, there are no franchise organizations sponsored or endorsed by us, and no independent franchisee organizations have asked to be included in this Franchise Disclosure Document. We do not have any trademark specific franchisee organizations.

**ITEM 21
FINANCIAL STATEMENTS**

Exhibit B contains the financial statements required to be included with this Franchise Disclosure Document: audited financial statements for the years ended December 31, 2023, December 31, 2022, December 31, 2021, ~~December 31, 2020~~. Our fiscal year end is December 31st.

**ITEM 22
CONTRACTS**

The following exhibits contain proposed agreements regarding the Franchise:

- | | |
|-----------|------------------------------------|
| Exhibit C | Franchise Agreement |
| Exhibit G | State Addenda and Agreement Riders |

**ITEM 23
RECEIPTS**

The last pages of this Franchise Disclosure Document, attached as Exhibit J, are a detachable document, in duplicate. Please detach, sign, date, and return one copy of the Receipt to us, acknowledging that you received this Franchise Disclosure Document. Please keep the second copy for your records.

EXHIBIT A

**STATE ADMINISTRATORS AND
AGENTS FOR SERVICE OF PROCESS**

**STATE ADMINISTRATORS AND
AGENTS FOR SERVICE OF PROCESS**

CALIFORNIA

State Administrator and Agent for Service of Process:

Commissioner
Department of Financial Protection and Innovation
320 W. 4th Street, #750
Los Angeles, CA 90013
(213) 576-7500
(866) 275-2677

HAWAII

Commissioner of Securities of the State of Hawaii
335 Merchant Street, Room 203
Honolulu, HI 96813
(808) 586-2722

Agent for Service of Process:

Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, HI 96813
(808) 586-2722

ILLINOIS

Illinois Attorney General Chief, Franchise Division
500 S. Second Street
Springfield, IL 62706
(217) 782-4465

INDIANA

Secretary of State
Securities Division
Room E-018
302 W. Washington Street
Indianapolis, IN 46204
(317) 232-6681

MARYLAND

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202
(410) 576-6360

MARYLAND CONTINUED

Agent for Service of Process:

Maryland Securities Commissioner
200 St. Paul Place
Baltimore, MD 21202-2020

MICHIGAN

Michigan Department of Attorney General
Consumer Protection Division
525 W. Ottawa Street
Lansing, MI 48913
(517) 373-7117

MINNESOTA

Department of Commerce
Commissioner of Commerce
85 Seventh Place East, Suite 280
St. Paul, MN 55101-3165
(651) 539-1600

NEW YORK

Administrator:

NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
(212) 416-8222

Agent for Service of Process:

Secretary of State
99 Washington Avenue
Albany, NY 12231

NORTH DAKOTA

Administrator:

North Dakota Securities Department
600 East Boulevard Avenue
State Capitol, Fourteenth Floor, Dept. 414
Bismarck, ND 58505-0510
(701) 328-4712

Agent for Service of Process:

Securities Commissioner
600 East Boulevard Avenue
State Capitol, Fourteenth Floor, Dept. 414
Bismarck, ND 58505-0510

RHODE ISLAND

Department of Business Regulation
1511 Pontiac Avenue, Bldg. 68-2
Cranston, RI 02920
(401) 462-9527

SOUTH DAKOTA

Division of Insurance
Securities Regulation
124 South Euclid, Suite 104
Pierre, SD 57501
(605) 773-3563

VIRGINIA

State Corporation Commission
Division of Securities and Retail Franchising
1300 E. Main Street, 9th Floor
Richmond, VA 23219

Agent for Service of Process:

Clerk of the State Corporation Commission
1300 E. Main Street, 1st Floor
Richmond, VA 23219

WASHINGTON

State Administrator:

Washington Department of Financial Institutions
Securities Division
P.O. Box 903341200
Olympia, WA 9850798504-1200
(360) 902-8760

Agent for Service for Process:

Director of Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, WA 98501

WISCONSIN

Department of Financial Institutions
Division of Securities
201 W. Washington Avenue
Madison, WI 53703
(608) 266-3364

Rev. 012723090723

EXHIBIT B

FINANCIAL STATEMENTS

COOKIE ADVANTAGE, INC.

Financial Statements

Years Ended December 31, 2022, 2021, and 2020

With

Independent Auditor's Report



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To the Board of Directors and Stockholders
Cookie Advantage, Inc.

Opinion

We have audited the accompanying financial statements of Cookie Advantage, Inc., which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of income, stockholders' equity, and cash flows for the years ended December 31, 2022, 2021, and 2020, and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years ended December 31, 2022, 2021 and 2020 then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

MORSE & CO., PLLC

Tulsa, Oklahoma
March 4, 2023

COOKIE ADVANTAGE, INC.
BALANCE SHEETS
DECEMBER 31, 2022 AND 2021

		ASSETS	
		<u>2022</u>	<u>2021</u>
Current assets			
Cash and cash equivalents		\$ 65,965	\$ 24,058
Franchisee receivables		<u>74,317</u>	<u>70,470</u>
Total current assets		<u>140,282</u>	<u>94,528</u>
Noncurrent assets			
Reacquired franchise rights, net		<u>23,333</u>	<u>25,000</u>
Total noncurrent assets		<u>23,333</u>	<u>25,000</u>
Total assets		<u>\$ 163,615</u>	<u>\$ 119,528</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities			
Advances from affiliate		<u>\$ 106,540</u>	<u>\$ 74,410</u>
Total current liabilities		<u>106,540</u>	<u>74,410</u>
Stockholders' equity			
Common stock, par value \$.01 per share, authorized, 50,000 shares, issued and outstanding, 10,000 shares.		100	100
Additional paid-in capital		900	900
Retained earnings		<u>56,075</u>	<u>44,118</u>
Total stockholders' equity		<u>57,075</u>	<u>45,118</u>
Total liabilities and stockholders' equity		<u>\$ 163,615</u>	<u>\$ 119,528</u>

See independent auditor's report and accompanying notes to financial statements.

COOKIE ADVANTAGE, INC.
STATEMENTS OF INCOME
YEARS ENDED DECEMBER 31, 2022, 2021, AND 2020

	2022	2021	2020
Revenues			
Franchise royalties	\$ 449,109	\$ 428,789	\$ 292,569
Renewal fees	8,850	5,800	-
Total revenues	<u>457,959</u>	<u>434,589</u>	<u>292,569</u>
Costs and expenses			
Administrative fee	420,000	382,439	257,460
General and administrative	25,002	27,468	27,614
Total costs and expenses	<u>445,002</u>	<u>409,907</u>	<u>285,074</u>
Net income	<u>\$ 12,957</u>	<u>\$ 24,682</u>	<u>\$ 7,495</u>

See independent auditor's report and accompanying notes to financial statements.

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COOKIE ADVANTAGE, INC.
STATEMENTS OF STOCKHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2022, 2021, AND 2020

	Common Stock		Additional Paid-in Capital	Retained Earnings	Total
	Shares	Amount			
Balance at December 31, 2019	10,000	\$ 100	\$ 900	\$ 11,941	\$ 12,941
Net income	-	-	-	7,495	7,495
Balance at December 31, 2020	10,000	100	900	19,436	20,436
Net income	-	-	-	24,682	24,682
Balance at December 31, 2021	10,000	100	900	44,118	45,118
Net income	-	-	-	12,957	12,957
Distributions	-	-	-	(1,000)	(1,000)
Balance at December 31, 2022	10,000	\$ 100	\$ 900	\$ 56,075	\$ 57,075

See independent auditor's report and accompanying notes to financial statements.

COOKIE ADVANTAGE, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022, 2021, AND 2020

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Cash flows from operating activities			
Net income	\$ 12,957	\$ 24,682	\$ 7,495
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Amortization	1,667	-	-
Changes in assets and liabilities provided by (used in) operating activities			
Franchisee receivables	(3,847)	(18,545)	17,760
Net cash provided by (used in) operating activities	<u>10,777</u>	<u>6,137</u>	<u>25,255</u>
Cash flows from investing activities			
Reacquired franchise rights	-	(25,000)	-
Net cash provided by (used in) investing activities	<u>-</u>	<u>(25,000)</u>	<u>-</u>
Cash flows from financing activities			
Stockholder distributions	(1,000)	-	-
Advances from affiliate	32,130	(30,001)	42,772
Net cash provided by (used in) financing activities	<u>31,130</u>	<u>(30,001)</u>	<u>42,772</u>
Net increase (decrease) in cash	41,907	(48,864)	68,027
Cash and cash equivalents, beginning of year	24,058	72,922	4,895
Cash and cash equivalents, end of year	<u>\$ 65,965</u>	<u>\$ 24,058</u>	<u>\$ 72,922</u>

See independent auditor's report and accompanying notes to financial statements.

COOKIE ADVANTAGE, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022, 2021, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting policies and methods of their application that significantly affect the financial position and the results of operations of Cookie Advantage, Inc. (the Company) are as follows:

Nature of Operations and Risks

Cookie Advantage, Inc. is an Oklahoma corporation engaged in the franchising of a Cookie Advantage business in various states. Franchise operations sell various types of packaged cookie products to business enterprises located in the franchise area, and generally deliver the products to customers, clients, and friends of the businesses to whom they were sold. The Company earns a franchise fee of \$29,500 upon completion of the franchise agreement requirements and a royalty on the ongoing sales of the franchised location, payable monthly at amounts ranging from 5% to 6%. No new franchise territories were sold during 2022 and twenty-one franchise locations were in operation at the end of 2022.

Obligations of the Company include providing a minimum of thirty-two hours of training along with an operations manual. The Company may also send representatives to the franchise location periodically. All substantial services pursuant to franchise agreements had been performed as of December 31, 2022, 2021, and 2020.

Cash and Cash Equivalents

For purposes of reporting cash flows, the company considers all highly liquid and unrestricted demand deposit accounts with a maturity of less than ninety days to be cash and cash equivalents, which consists of the checking accounts.

Franchisee Receivables

Franchisee receivables are short-term, non-interest bearing and uncollateralized. Doubtful accounts are charged to operations in the period deemed uncollectible, based on the status of payments. Franchisee receivables older than 30 days are considered past due. Management believes that the franchisee receivables at December 31, 2022, 2021, and 2020 are collectible.

Allowance for Doubtful Accounts

Management considers the probability of collection of accounts receivable based on past experience, taking into account specific circumstances of franchisees as well as general economic factors, when determining whether an allowance for doubtful accounts is necessary. Management believes that an allowance for doubtful accounts is not considered necessary.

Intangible Assets

The intangible asset, which consists of reacquired franchise rights, is stated at cost and amortized over its useful life.

(Continued)

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

The Company is in compliance with Topic 606 using the modified retrospective method. The previous adoption of Topic 606 did not have a material impact on the Company's financial statements. The Company considers an executed franchise disclosure document to be a contract with a customer. Revenues consist of franchise fees, including renewal and transfer fees, technology fees and royalties.

Revenues derived from the sale of a franchise are recognized over the term of the franchise agreement, which is generally five years. The Company has multiple performance obligations to fulfill, the most substantial is to provide training to new franchisees prior to their first sale. The Company has determined approximately 70% of all performance obligations are fulfilled within the first year. The remaining 30% of the performance obligations related to the franchise fee are fulfilled in years two through five.

The Company's accounting policy through December 31, 2019 was to recognize franchise fees when received upon the start of a new franchise term. The Company has elected to use the practical expedient provided by the amendments in ASU 2021-02. In doing so, the Company recognizes pre-opening services as a single performance obligation.

Royalty revenues are based on a percent of sales and recognized at the time the underlying sales occur. The Company allows franchisees to renew their agreement after the initial five-year period is completed. Franchisee's must be in good standing, fully complied with the provisions of the initial Franchise Agreement and are not in default of any provision of the Franchise Agreement.

The renewal fee is recognized on a straight-line basis over the renewal period of five years or 20% per year. The Company's accounting policy through December 31, 2019 was to recognize renewal fees when received upon the start of a new franchise term. The Company allows franchisees to transfer the remaining life of their Franchise Agreement and the assets or any interest in the franchise or business. It has been determined that 100% of the transfer fee will be recognized at the time of transfer for the training and related benefits provided to the new owner.

Factors that could impact the nature, amount, timing, and uncertainty of revenue and cash flows as follows: (1) vulnerability to the cyclical nature of the franchising industry; (2) demand for the Company's services is dependent upon the demand of children's clothing, toys and other items; (3) the timing of franchise sales are outside of the Company's control.

(Continued)

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Revenues are recognized when control of the promised products is transferred to customers. The Company recognizes revenue upon the transfer of promised benefit to its customers in an amount that reflects the consideration to which the Company expects to be entitled by applying the following five-step process specified in ASC 606:

- 1) Identify the contract(s) with a customer
- 2) Identify the performance obligations
- 3) Determine the transaction price
- 4) Allocate the transaction price
- 5) Recognize revenue when the performance obligations are met

Income Taxes

The Company, with consent of its stockholders, has elected under the Internal Revenue Code to be taxed as an S corporation. ~~In lieu of corporate income taxes, the stockholders are taxed on the Company's taxable income.~~ Therefore, no provision or liability for federal or state income taxes has been included in the financial statements.

Management has determined that the Company does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures.

Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Company's tax returns will not be challenged by the taxing authorities and that the Company or its stockholders will not be subject to additional tax, penalties, and interest as a result of such challenge. Generally, the Company's tax returns remain open for three years for federal and state income tax examination.

Accounting Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Management periodically evaluates estimates used in the preparation of the financial statements for continued reasonableness. Appropriate adjustments, if any, to the estimates used are made prospectively based upon such periodic evaluation. It is reasonably possible that changes may occur in the near term that would affect management's estimates with respect to the allowance for doubtful accounts and accrued expenses. Revisions in estimates are made in the year in which circumstances requiring the revision become known.

(Continued)

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Change in Accounting Principle

On January 1, 2020, the Company adopted Accounting Standards Codification (ASC) Topic 606, Revenue from Contracts with Customers (ASC 606). ASC 606 provides a new model for accounting for revenue arising from contracts with customers that supersedes most revenue recognition guidance. Under the new guidance, entities are required to recognize revenue at an amount that reflects the consideration to which the entity expects to be entitled upon transferring control of goods or services to a customer. As part of adoption of ASC 606, the Company applied the modified retrospective method to contracts that were not completed as of January 1, 2020. Further, results for reporting periods beginning on or after January 1, 2020 are presented under ASC 606, while prior period amounts were not adjusted and continue to be reported under the previous accounting standards. The adoption of ASC 606 had no impact on opening retained earnings and did not materially affect the amount or timing of the Company's revenue.

On May 28, 2014, the FASB issued Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers (Topic 606). During the implementation of Update 2014-09, private company stakeholders in the franchise industry raised concerns about the cost and complexity of applying Topic 606 to determine the amount and timing of revenue recognition for initial franchise fees, especially for franchisors that are start-ups or that have a small number of franchise units. The initial franchise fee typically is paid in a lump sum to a franchisor in exchange for establishing a franchise relationship, along with the provision of varying levels of pre-opening services. Before the adoption of Topic 606, under the industry-specific guidance in Topic 952, Franchisors, the initial franchise fee typically was recognized when the franchise location opened. Under the guidance in Topic 606, the franchisor is required to determine whether the pre-opening activities contain any separate performance obligations and to analyze the standalone selling prices for those performance obligations to determine the timing and amount of revenue recognition. The Company has adopted the practical expedient simultaneously with the adoption of ASC 606 for the year ended 2020.

NOTE 2 - SUBSEQUENT EVENTS

The Company has evaluated subsequent events through March 4, 2023 the date the financial statements were available to be issued.

(Continued)

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COOKIE ADVANTAGE, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022, 2021, 2020

NOTE 3 - RELATED PARTY TRANSACTIONS

Office facilities are provided by KDKC, Inc., an Oklahoma corporation affiliated by common ownership and management. All business and day-to-day operations are performed by the owners or employees of KDKC, Inc. For the years ended December 31, 2022, 2021 and 2020, management fees of \$420,000, \$382,439 and \$257,460, respectively, were paid to KDKC, which owns and operates a Cookie Advantage business similar to the franchise operation described in Note 1. The amount owed to KDKC for management fees as of December 31, 2022, 2021 and 2020 was \$106,541, \$74,410, and \$104,411, respectively. The Company is thus dependent on KDKC and its common ownership for all business functions. KDKC also fulfills website purchases arising from former franchise locations.

The Company periodically makes cash advances to KDKC. Such cash advances are unsecured, non-interest bearing, and have no specific repayment terms. No advances were outstanding for the years ended December 31, 2022, 2021 and 2020.

NOTE 4 - CONCENTRATIONS OF CREDIT RISK

The Company may be subject to credit risk related to its cash and cash equivalents, which are placed with high credit-quality financial institutions. From time to time, the Company may have amounts on deposit in excess of the Federal Deposit Insurance Corporation (FDIC) limits. Management believes the Company is not exposed to any significant credit risk on cash and cash equivalents, nor has it experienced any losses.

NOTE 5 – INTANGIBLE ASSETS

The Company purchased franchises from its previous owners in December 2021. The reacquired franchise rights are amortized over a useful life of 15 years and are classified as a noncurrent asset in the accompanying balance sheet. Intangible assets consist of the following at December 31:

	<u>2022</u>	<u>2021</u>
Reacquired franchise rights	\$ 25,000	\$ 25,000
Accumulated amortization	<u>(1,667)</u>	<u>-</u>
Total	<u>\$ 23,333</u>	<u>\$ 25,000</u>

Amortization expense for the years ended December 31, 2022 and 2021 was \$1,667 and \$0, respectively.

COOKIE ADVANTAGE, INC.

Financial Statements

Years Ended December 31, 2023, 2022, and 2021

With

Independent Auditor's Report



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To the Board of Directors and Stockholders
Cookie Advantage, Inc.

Opinion

We have audited the accompanying financial statements of Cookie Advantage, Inc. which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of income, stockholders' equity, and cash flows for the years ended December 31, 2023, 2022, and 2021, and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years ended December 31, 2023, 2022, and 2021, when read in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Effect of New Accounting Standard

As discussed in Note 1, Cookie Advantage, Inc. adopted the Financial Accounting Standards Board's Accounting Standards Update ("ASU") 2016-13 Financial Instruments – Credit Losses (Topic 326) for the year ended December 31, 2023. Our opinion is not modified with respect to this matter.

MORSE & CO., PLLC

Tulsa, Oklahoma
March 15, 2024

COOKIE ADVANTAGE, INC.
BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

ASSETS		2023	2022
Current assets			
Cash and cash equivalents	\$	53,263	\$ 65,965
Franchisee receivables		66,883	74,317
Total current assets		120,146	140,282
Noncurrent assets			
Reacquired franchise rights, net		21,666	23,333
Total noncurrent assets		21,666	23,333
Total assets	\$	141,812	\$ 163,615
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities			
Advances from affiliate	\$	73,718	\$ 106,540
Total current liabilities		73,718	106,540
Stockholders' equity			
Common stock, par value \$.01 per share, authorized, 50,000 shares, issued and outstanding, 10,000 shares.		100	100
Additional paid-in capital		900	900
Retained earnings		67,094	56,075
Total stockholders' equity		68,094	57,075
Total liabilities and stockholders' equity	\$	141,812	\$ 163,615

See independent auditor's report and accompanying notes to financial statements.

COOKIE ADVANTAGE, INC.
 STATEMENTS OF INCOME
 YEARS ENDED DECEMBER 31, 2023, 2022, AND 2021

	2023	2022	2021
Revenues			
Franchise royalties	\$ 510,163	\$ 449,109	\$ 428,789
Renewal fees	11,600	8,850	5,800
Total revenues	<u>521,763</u>	<u>457,959</u>	<u>434,589</u>
Costs and expenses			
Administrative fee	459,151	420,000	382,439
General and administrative	31,593	25,002	27,468
Total costs and expenses	<u>490,744</u>	<u>445,002</u>	<u>409,907</u>
Net income	<u>\$ 31,019</u>	<u>\$ 12,957</u>	<u>\$ 24,682</u>

See independent auditor's report and accompanying notes to financial statements.

COOKIE ADVANTAGE, INC.
 STATEMENTS OF STOCKHOLDERS' EQUITY
 YEARS ENDED DECEMBER 31, 2023, 2022, AND 2021

	Common Stock		Additional Paid-in Capital	Retained Earnings	Total
	Shares	Amount			
Balance at December 31, 2020	10,000	\$ 100	\$ 900	\$ 19,436	\$ 20,436
Net income	-	-	-	24,682	24,682
Balance at December 31, 2021	10,000	100	900	44,118	45,118
Net income	-	-	-	12,957	12,957
Distributions	-	-	-	(1,000)	(1,000)
Balance at December 31, 2022	10,000	100	900	56,075	57,075
Net income	-	-	-	31,019	31,019
Distributions	-	-	-	(20,000)	(20,000)
Balance at December 31, 2023	10,000	\$ 100	\$ 900	\$ 67,094	\$ 68,094

See independent auditor's report and accompanying notes to financial statements.

COOKIE ADVANTAGE, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023, 2022, AND 2021

	2023	2022	2021
Cash flows from operating activities			
Net income	\$ 31,019	\$ 12,957	\$ 24,682
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Amortization	1,667	1,667	-
Changes in assets and liabilities provided by (used in) operating activities:			
Franchisee receivables	7,434	(3,847)	(18,545)
Net cash provided by (used in) operating activities	<u>40,120</u>	<u>10,777</u>	<u>6,137</u>
Cash flows from investing activities			
Reacquired franchise rights	-	-	(25,000)
Net cash provided by (used in) investing activities	<u>-</u>	<u>-</u>	<u>(25,000)</u>
Cash flows from financing activities			
Stockholder distributions	(20,000)	(1,000)	-
Advances from affiliate	(32,822)	32,130	(30,001)
Net cash provided by (used in) financing activities	<u>(52,822)</u>	<u>31,130</u>	<u>(30,001)</u>
Net increase (decrease) in cash	(12,702)	41,907	(48,864)
Cash and cash equivalents, beginning of year	<u>65,965</u>	<u>24,058</u>	<u>72,922</u>
Cash and cash equivalents, end of year	<u>\$ 53,263</u>	<u>\$ 65,965</u>	<u>\$ 24,058</u>

See independent auditor's report and accompanying notes to financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting policies and methods of their application that significantly affect the financial position and the results of operations of Cookie Advantage, Inc. (the Company) are as follows:

Nature of Operations and Risks

Cookie Advantage, Inc. is an Oklahoma corporation engaged in the franchising of a Cookie Advantage business in various states. Franchise operations sell various types of packaged cookie products to business enterprises located in the franchise area, and generally deliver the products to customers, clients, and friends of the businesses to whom they were sold. The Company earns a franchise fee of \$29,500 upon completion of the franchise agreement requirements and a royalty on the ongoing sales of the franchised location, payable monthly at amounts ranging from 5% to 6%. No new franchise territories were sold during 2023 and nineteen franchise locations were in operation at the end of 2023.

Obligations of the Company include providing a minimum of thirty-two hours of training along with an operations manual. The Company may also send representatives to the franchise location periodically. All substantial services pursuant to franchise agreements had been performed as of December 31, 2023, 2022, and 2021.

Cash and Cash Equivalents

For purposes of reporting cash flows, the company considers all highly liquid and unrestricted demand deposit accounts with a maturity of less than ninety days to be cash and cash equivalents, which consists of the checking accounts.

Franchisee Receivables

Franchisee receivables are short-term, non-interest bearing and uncollateralized. Doubtful accounts are charged to operations in the period deemed uncollectible, based on the status of payments. Franchisee receivables older than 30 days are considered past due. Management believes that the franchisee receivables at December 31, 2023, 2022, and 2021 are collectible.

Intangible Assets

The intangible asset, which consists of reacquired franchise rights, is stated at cost and amortized over its useful life.

Revenue Recognition

The Company considers an executed franchise disclosure document to be a contract with a customer. Revenues consist of franchise fees, including renewal and transfer fees, technology fees and royalties.

(Continued)

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Revenues derived from the sale of a franchise are recognized over the term of the franchise agreement, which is generally five years. The Company has multiple performance obligations to fulfill, the most substantial is to provide training to new franchisees prior to their first sale. The Company has determined approximately 70% of all performance obligations are fulfilled within the first year. The remaining 30% of the performance obligations related to the franchise fee are fulfilled in years two through five.

The Company has elected to use the practical expedient provided by the amendments in ASU 2021-02. In doing so, the Company recognizes pre-opening services as a single performance obligation.

Royalty revenues are based on a percent of sales and recognized at the time the underlying sales occur. The Company allows franchisees to renew their agreement after the initial five-year period is completed. Franchisee's must be in good standing, fully complied with the provisions of the initial Franchise Agreement and are not in default of any provision of the Franchise Agreement.

The Company's accounting policy is to recognize renewal fees when received upon the start of a new franchise term. The Company has no performance obligations to fulfill, and the amount is not refundable. The Company allows franchisees to transfer the remaining life of their Franchise Agreement and the assets or any interest in the franchise or business. It has been determined that 100% of the transfer fee will be recognized at the time of transfer for the training and related benefits provided to the new owner.

Factors that could impact the nature, amount, timing, and uncertainty of revenue and cash flows as follows: (1) vulnerability to the cyclical nature of the franchising industry; (2) demand for the Company's services is dependent upon the demand of packaged cookie products for business enterprises; (3) the timing of franchise sales are outside of the Company's control.

Revenues are recognized when control of the promised products is transferred to customers. The Company recognizes revenue upon the transfer of promised benefit to its customers in an amount that reflects the consideration to which the Company expects to be entitled by applying the following five-step process specified in ASC 606:

- 1) Identify the contract(s) with a customer
- 2) Identify the performance obligations
- 3) Determine the transaction price
- 4) Allocate the transaction price
- 5) Recognize revenue when the performance obligations are met

(Continued)

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Company, with consent of its stockholders, has elected under the Internal Revenue Code to be taxed as an S corporation. In lieu of corporate income taxes, the stockholders are taxed on the Company's taxable income. Therefore, no provision or liability for federal or state income taxes has been included in the financial statements.

Management has determined that the Company does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures.

Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Company's tax returns will not be challenged by the taxing authorities and that the Company or its stockholders will not be subject to additional tax, penalties, and interest as a result of such challenge. Generally, the Company's tax returns remain open for three years for federal and state income tax examination.

Accounting Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Management periodically evaluates estimates used in the preparation of the financial statements for continued reasonableness. Appropriate adjustments, if any, to the estimates used are made prospectively based upon such periodic evaluation. It is reasonably possible that changes may occur in the near term that would affect management's estimates with respect to the allowance for doubtful accounts, accrued expenses and revenue recognition. Revisions in estimates are made in the year in which circumstances requiring the revision become known.

Change in Accounting Principle

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-13 Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (ASC 326). The current methodology requires a delay in recognizing credit losses until it is probably a loss has been incurred. Both, entities that extend credit and users of their financial statements, expressed concern that current generally accepted accounting principles (GAAP) restricted the ability to record credit losses that are expected, but do not yet meet the “probably” threshold. The main objective of this ASU is to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. To achieve this objective, the amendments in this ASU replace the incurred loss impairment methodology in current GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The Company adopted ASU 2016-13 as of January 1, 2023 under the modified prospective approach. The adoption of ASU 2016-13 did not materially impact the financial statements.

(Continued)

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COOKIE ADVANTAGE, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023, 2022, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

The Company has evaluated subsequent events through March 15, 2024, the date the financial statements were available to be issued.

NOTE 2 – RELATED PARTY TRANSACTIONS

Office and production facilities are provided by KDKC, Inc., an Oklahoma corporation affiliated by common ownership and management. All business and day-to-day operations are performed by the owners or employees of KDKC, Inc. For the years ended December 31, 2023, 2022 and 2021, management fees of \$459,151, \$420,000 and \$382,439 respectively, were paid to KDKC, which owns and operates a Cookie Advantage business similar to the franchise operation described in Note 1. The amount owed to KDKC for management fees as of December 31, 2023, 2022 and 2021 was \$73,718, \$106,540 and \$74,410, respectively. The Company is thus dependent on KDKC and its common ownership for all business functions. KDKC also fulfills website purchases arising from former franchise locations.

The Company periodically makes cash advances to KDKC. Such cash advances are unsecured, non-interest bearing, and have no specific repayment terms. No advances were outstanding for the years ended December 31, 2023, 2022 and 2021.

NOTE 3 – CONCENTRATIONS OF CREDIT RISK

The Company may be subject to credit risk related to its cash and cash equivalents, which are placed with high credit-quality financial institutions. From time to time, the Company may have amounts on deposit in excess of the Federal Deposit Insurance Corporation (FDIC) limit of \$250,000. Management believes the Company is not exposed to any significant credit risk on cash and cash equivalents, nor has it experienced any losses.

NOTE 4 – INTANGIBLE ASSETS

The Company purchased a franchise from its previous owner in December 2021. The reacquired franchise rights are amortized over a useful life of 15 years and are classified as a noncurrent asset in the accompanying balance sheet. Intangible assets consist of the following at December 31:

	<u>2023</u>	<u>2022</u>
Reacquired franchise rights	\$ 25,000	\$ 25,000
Accumulated amortization	<u>(3,334)</u>	<u>(1,667)</u>
Total	<u>\$ 21,666</u>	<u>\$ 23,333</u>

Amortization expense was \$1,667 for the years ended December 31, 2023 and 2022.

EXHIBIT C

FRANCHISE AGREEMENT

EXHIBIT C



COOKIE ADVANTAGE, INC.

FRANCHISE AGREEMENT

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ATTACHMENTS:

ATTACHMENT 1	FRANCHISE DATA SHEET
ATTACHMENT 2	OWNERSHIP INTERESTS IN FRANCHISEE
ATTACHMENT 3	OWNERS AGREEMENT

COOKIE ADVANTAGE, INC.

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (“Franchise Agreement”) is made and entered into by and between Cookie Advantage, Inc., an Oklahoma corporation (“we,” “us,” “our,” or “Franchisor”), and the “Franchisee” identified in Attachment 1 of this Franchise Agreement (“you,” “your,” or “Franchisee”) effective as of the “Effective Date” identified in Attachment 1 of this Franchise Agreement.

1. INTRODUCTION.

This Franchise Agreement has been written in an informal style to make it more easily readable and to be sure that you become thoroughly familiar with all of the important rights and obligations the Franchise Agreement covers before you sign it. This Franchise Agreement includes several attachments, all of which are legally binding and are an integral part of the complete Franchise Agreement. In this Franchise Agreement, we refer to Cookie Advantage, Inc. as “we,” “us,” “Franchisor,” or the “Company.” “We” may also include any affiliates that we may have. We refer to you as “you” or “Franchisee.” If you are a corporation, partnership, or limited liability company, you will notice certain provisions are applicable to those principal shareholders, partners, or members on whose business skill, financial capability, and personal character we are relying in entering into this Franchise Agreement. Those individuals will be referred to in this Franchise Agreement as “Principal Owners.”

Through the expenditure of considerable time, effort, and money, we and our affiliates have devised a system for the establishment and operation of a Cookie Advantage business model which provides marketing solutions to businesses to implement a customer follow-up and appreciation program utilizing the delivery of cookies by mail as thank you gifts, corporate gifts, or incentives for return or new business (all of which we refer to in this Franchise Agreement as the “System”). This business model includes a bakery offering all of our franchised products and services (“Bakery”). We identify the System by certain trademarks, service marks, and other commercial symbols, including the mark “Cookie Advantage” and certain associated designs, artwork, and logos, which we may change or add to from time to time (“Marks”).

From time to time, we grant to persons who meet our qualifications, franchises to own and operate a Cookie Advantage franchise under the System in a specified geographic territory (“Territory”). This Franchise Agreement is being presented to you because of the desire you have expressed to obtain the right to develop, own, and be franchised to operate a Cookie Advantage franchise (we refer to your Bakery franchise as the “Franchise” or the “Cookie Advantage Business”). In signing this Franchise Agreement, you acknowledge you have conducted an independent investigation of the Cookie Advantage Business, and recognize that, like any other business, the nature of it may evolve and change over time, that an investment in a Cookie Advantage Business involves business risks, and that the success of this business venture depends on your business abilities and efforts.

You represent to us, as an inducement to our entering into this Franchise Agreement with you, that you made no misrepresentations to us in your application for the rights granted by this Franchise Agreement, or in the financial information provided by you and your owners.

2. GRANT OF FRANCHISE.

2.1 **Term.** You have applied for a Franchise to own and operate a Cookie Advantage Business, and we have approved your application in reliance on all of the representations you made in that

application. We grant to you a Franchise to operate a Cookie Advantage Business offering all products, services, and proprietary programs of ours, under all elements of the System we may require for Franchises. If you do not sign a Successor Franchise Agreement prior to the expiration of this current Franchise Agreement (see Section 2.4) and continue to accept the benefits of this Franchise Agreement after the expiration of this Franchise Agreement, then at our option, this Franchise Agreement may be treated either as: (i) expired as of the date of expiration with Franchisee then operating without a Franchise to do so and in violation of Franchisor's rights; or (ii) continued on a month-to-month basis ("Interim Period") until one party provides the other with written notice of such party's intent to terminate the Interim Period, in which case the Interim Period will terminate 30 days after receipt of the notice to terminate the Interim Period. In the latter case, all of your obligations shall remain in full force and effect during the Interim Period as if this Franchise Agreement had not expired, and all obligations and restrictions imposed on you upon expiration of this Franchise Agreement shall be deemed to take effect upon termination of the Interim Period.

You must operate the Franchise (and the Bakery) at a mutually agreeable site, and use the System and the Marks in the operation of the Franchise. This Franchise Agreement shall become effective on the Effective Date, and shall continue until midnight on the day before the 5th anniversary of the Effective Date ("Term"), subject, however, to termination under this Franchise Agreement. (All references to the "term" of this Franchise Agreement refer to the period from the Effective Date to the date on which this Franchise Agreement terminates or expires, including any Interim Periods.)

2.2 **Full Term Performance.** You agree to be obligated to operate the Franchise, including paying the royalties and performing the obligations of this Franchise Agreement, and continuously exert your best efforts to promote and enhance the business of the Franchise for the full term of this Franchise Agreement.

2.3 **Territory; Approved Location; Reference to Attachment; Reservation of Rights.** The Franchise granted by this Franchise Agreement is limited to a single Cookie Advantage Business at the specific location in Attachment 1 ("Approved Location"). The Bakery must be at the Approved Location. If the Approved Location for the Bakery has not been selected and approved when this Franchise Agreement is signed, Attachment 1 will describe the Approved Location and Territory generally. After we have approved a location for your Bakery, we will complete Attachment 1 to insert the specific address of that location, which will become the Approved Location and delete the general description. The general description is for informational purposes only and does not grant you any territory rights. We will also complete the description of the Territory at this time. Your Territory will be delineated by a physical description and/or an accompanying map in Attachment 1.

You are granted a protected Territory. You will not receive an exclusive territory. Except as permitted by this Franchise Agreement, we will not establish or license any other person or entity to establish a principal place of business or business address within your Territory. You may face competition from other Cookie Advantage franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. For example, marketing programs and customers may cross over territory boundaries.

We and our affiliates have the right to operate, and to license others to operate, Cookie Advantage Businesses at any location outside the Territory, even if doing so will or might affect the operation of your Cookie Advantage Business. We retain the right, for ourselves and our affiliates, on any terms we deem advisable, and without granting you any rights:

- (1) to own, franchise, or operate Cookie Advantage Businesses at any location outside of the Territory, regardless of the proximity to your Cookie Advantage Business;

(2) to use the Marks and the System to sell any products or services the same as or similar to those that you will sell through any alternative channels of distribution within or outside of the Territory including, but not limited to, retail locations and other channels of distribution such as television, mail order, catalog sales, wholesale to unrelated retail outlets, or over the Internet (we exclusively reserve the Internet as a channel of distribution for us, and you may not independently market on the Internet or conduct e-commerce);

(3) to use and license the use of other proprietary and non-proprietary marks or methods which are not the same as or confusingly similar to the Marks, whether in alternative channels of distribution or in the operation of a business offering cookies and related goods as gift items at any location, including within the Territory, which may be similar to or different from the Cookie Advantage Business operated by you;

(4) to engage in any transaction, including to purchase or be purchased by, to merge or combine with, to convert to the System or be converted into a new system or chain with any business whether franchised or corporately owned, including a business that competes directly with your Cookie Advantage Business, wherever located, provided that in such situations the newly acquired businesses located inside your Territory will not operate under the Marks;

(5) to service national accounts within the Territory, or allow other Cookie Advantage Businesses or third parties to service National Accounts (as described below) if you are in default, unable, or unwilling to provide necessary products or services or as otherwise described below;

(6) to implement multi-area marketing programs which may allow us or others to solicit or sell to customers anywhere. We also reserve the right to issue mandatory policies to coordinate such multi-area marketing programs;

(7) to use and license the use of technology to non-franchisee locations inside and outside your Territory; and

(8) to engage in any other business activities not expressly prohibited by this Franchise Agreement, both within and outside your Territory.

We retain all rights to service or designate ourselves or other franchisees to service national accounts in your Territory. You are not entitled to any national account work in your Territory. “National Account” means any customer: (i) that conducts its business for its own account or through agents, affiliates, independent contractors, or franchisees in two or more of our territories; (ii) a regional or national chain with three or more locations, which customer or chain has contracted with us to obtain bakery products and services for two or more of its locations from us, our affiliates, and/or franchisees; or (iii) which owns, manages, controls or otherwise has responsibility for businesses in more than one location, and whose presence is not confined within any one particular franchisee’s Territory. If we permit you to service National Accounts, you will be required to follow all rules and regulations that we put into place, including those described in Section 2.7 below. If we or another party are providing services or products to a National Account customer in your Territory, you will not receive any compensation related to these services or products.

We reserve the exclusive right to negotiate and enter into agreements with National Account Customers to provide services wherever such businesses are located, including within your Territory. If a National Account customer requests services in your Territory: (a) if the National Account customer

requests that we or another franchisee provide services to the National Account within your Territory, then we or such franchisee will be given the work, and we or such franchisee will be providing services within your Territory, and (b) otherwise, we will give you a first right of refusal to a National Account customer within your Territory, and you will have five business days to exercise such right of first refusal. You won't provide services to any National Accounts without prior written consent, which may be granted in our sole discretion.

If you do accept business for National Accounts, the obligations under Section 2.7 below will apply.

If we receive any orders through any alternative distribution channels for delivery within your Territory, we will offer that order to you. If you decline or are unable to fill the order, we reserve the right to fulfill it, directly or indirectly, without compensation to you.

You are prohibited from directly or indirectly soliciting sales or accepting orders from customers who are located outside of your Territory provided, however, if such sales/orders are for a National Account, you must comply with our National Account rules and regulations. You may not use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing forms to make sales outside your Territory. Neither we nor any franchisee is required to pay any compensation to any other franchisee for such sales or orders. We do not pay you for soliciting or accepting orders within your Territory. You will be permitted to engage in direct advertising and solicitation of clients only within the boundaries of your Territory, unless we approve otherwise.

2.4 **Successor Franchises.**

(a) *Your Right to Create a Successor Franchise.* Subject to this subparagraph and subparagraph(s) (b) and (c) below, and if you have substantially complied with all provisions of this current Franchise Agreement and all other agreements between us, on expiration of the initial Term, you shall have the option, at our sole and absolute discretion, to extend your rights to operate the Cookie Advantage Business for one additional term ("Successor Term") of five years. If you are signing this franchise agreement as a Successor Franchise Agreement, the reference to "Term" shall mean the applicable renewal term of the Successor Franchise Agreement. You must have substantially complied with all provisions of this current Franchise Agreement and all other agreements between us, on expiration of the initial Term. You must also modify the Franchise in compliance with specifications and standards then-applicable under new or renewal Franchises.

(b) *Notice of Deficiencies and Other Requirements.* You must notify us of your intent to sign a Successor Franchise Agreement at least nine months before the expiration of the Franchise. At least six months before the expiration of the Franchise, we agree to give you written notice of any deficiencies in your operation or in the historical performance of the Franchise that could cause us not to renew the Franchise. Our notice will state what actions you must take to correct any deficiencies in your operation of the Franchise or of the Bakery, and will specify the time in which those deficiencies must be corrected or other requirements satisfied. Your ability to sign a "Successor Franchise Agreement" will be conditioned on your continued compliance with all the terms and conditions of this current Franchise Agreement up to expiration. If we send a notice of non-renewal, it will state the reasons for our refusal to renew.

(c) *Successor Franchise; Releases.* The Company, you, and your owners must execute the form of Franchise Agreement (Successor Franchise Agreement) and any ancillary agreements we are then customarily using in the grant or renewal of Franchises for the operation of Cookie Advantage Businesses (with appropriate modifications to reflect that the agreement relates to the grant of a renewal Franchise),

except that no initial franchise fee will be due. However, you must pay to us a successor fee of \$2,900 upon signing our then-current franchise agreement, which may contain materially different terms from those in this Franchise Agreement, including but not limited to higher fees, except that the initial franchise fee shall be waived. You and your owners and your and their spouses must also execute general releases, in a form satisfactory to us, of any and all known and unknown claims against us and our affiliates and our and their respective owners, officers, directors, employees, and agents. You will also be required to update the appearance of the Bakery, equipment, and other items as are then-required in the Confidential Operations Manual (as defined in Section 5.1 below) for new franchisees.

2.5 **Owners Agreement.** In exchange for our foregoing grant of a Franchise to you, each person holding an ownership interest in you (including both Principal Owners and minority owners, as defined herein) and his or her spouse must sign an owner's agreement ("Owners Agreement") in the form attached as Attachment 3 to this Franchise Agreement, and must deliver the signed Owners Agreement to us concurrently with your signing of this Franchise Agreement, or if the ownership interest is acquired after the Effective Date, within ten days after our approval the ownership interest change.

2.6 **Relocation.** If the lease for the Bakery expires or is terminated without your fault, or if the site for the Bakery is destroyed, condemned, or otherwise rendered unusable, we will allow you to relocate the Bakery to a new site acceptable to us within the Territory. Relocation for any other reason will be subject to our approval, which may be withheld in our sole discretion. Any relocation will be subject to the site selection and lease provisions in this Franchise Agreement, and will be at your sole expense. You agree to fully de-identify the former Bakery in accordance with our requirements at your sole cost and expense.

2.7 **National Accounts.**

(a) You acknowledge that we are not required to pursue a national account contract with any particular customer ("National Account Customer") or on any particular terms. We, in our sole discretion, shall determine the best method of pursuing, negotiating with, and servicing National Account Customers, and shall establish the terms of each account, based on the customers' needs.

(b) You understand and agree that you have no right to any National Account Customer or jobs, except as described in Section 2.3 above. You shall automatically be disqualified from any National Account Customer work if any of the following occur:

- i. If a National Account Customer has notified us in writing that the customer does not want to deal with you for any reason;
- ii. If you are not qualified or certified by us to perform a particular type of work;
- iii. If we have notified you that you are in default or otherwise not in good standing under this Franchise Agreement;
- iv. If you do not meet minimum insurance requirements for a National Account contract;
- v. If we are unable to timely communicate with you about a customer work request despite making reasonable efforts to do so;

vi. If you do not deliver or complete the work to the satisfaction of National Account Customer.

In any of the above instances, you will automatically be disqualified, and we may contract the work to another franchisee, or may provide the work itself.

(c) You agree to accept the national account prices (“National Account Prices”) as set by us and disclosed to you. We will notify you within ten business days of any changes to the National Account Prices and supply you with new National Account Prices. You are responsible for complying with all insurance and tax requirements, even if jobs are located outside your Territory or state.

(d) Your participation in the National Account is voluntary. You may terminate further participation in the National Account for any reason, by completing any assigned jobs or jobs in-process and giving at least ten business days’ written notice to us.

(e) You understand and agree that you must be and remain in good standing with us under the Franchise Agreement in order to participate in the National Account. You agree to service National Account Customers when requested to do so in accordance with national account standards and procedures, and any terms in the contract with the National Account Customer that have been communicated to you. You specifically acknowledge that we may represent to a National Account Customer that you will comply with terms and conditions negotiated between us and the National Account Customer.

(f) You acknowledge that National Account Customers may require the execution of additional documents or fulfillment of additional conditions prior to providing any services. You acknowledge and agree that you are solely responsible for review and execution of any additional contracts, review and execution of any documents, and/or fulfillment of additional conditions required by National Account Customers for the services.

(g) You acknowledge that jobs with National Account Customers may not be assigned or subcontracted without written permission from us, and that your participation in the national account is not assignable without our express written consent.

(h) We will pay you only upon receipt of funds from the National Account Customer and upon the receipt of all paperwork requested by us. Such payment(s) will be provided to you promptly after receipt of funds by us from National Account Customer. Typically, such payment should occur within 45-60 days after the invoice for the National Account Customer work invoice has been properly submitted and approved.

1. Your right to service any National Account Customer will terminate:

A. Automatically if the Franchise Agreement terminates, expires, or is not renewed;

B. On written notice to you if we decide for any reason to terminate our relationship with National Account Customer or to terminate its services being provided by you;

C. On written notice to you if we terminate your participation in the National Account for your failure to comply with the written standards and procedures of the National Account.

(i) Without limiting the generality of anything else contained under this Franchise Agreement, you agree that all insurance required by the Franchise Agreement will cover your activities under the National Account Customers, and will name us as an additional insured.

3. DEVELOPMENT AND OPENING OF THE FRANCHISE

3.1 Site Acceptance; Lease or Purchase of Bakery.

(a) You will use your best efforts to seek and select a proposed site for the Bakery within the Territory that is acceptable to us as suitable for the operation of the Franchise within 60 days of the Effective Date. You must submit to us, in the form we specify, a description of the site and such other information or materials as we may reasonably require. Our review of these materials and acceptance of the proposed site is not an endorsement of the materials submitted or of the earnings you may make. We will not unreasonably withhold acceptance of a site that meets our standards for general location, layout, and other physical characteristics for a Bakery. Our acceptance of a site shall not constitute, nor be deemed, a judgment or guaranty as to the likelihood of success of a Franchise at such location, or a judgment as to the relative desirability of such location in comparison to other locations within the Territory.

(b) You must submit an approved site for the Bakery within 60 days of the Effective Date or we may terminate this Franchise Agreement. You agree you will not execute a lease without our advance written acceptance of the lease's terms. The lease for the Bakery must permit us to take possession of the Bakery under certain conditions if this Franchise Agreement is terminated. It must also contain such terms and provisions as are reasonably accepted by us, including, but not limited to, those provisions in the Lease Addendum attached to the Franchise Disclosure Document in Exhibit H.

(c) You will assume all costs for obtaining and developing the site for your Bakery.

3.2 Prototype and Construction Plans and Specifications. We will furnish to you mandatory and discretionary specifications for your Bakery's layout, equipment, and fixtures, which may be in the form of actual plans for an existing or proposed Cookie Advantage Business with which we are involved. It will then be your responsibility to have the plans and specifications modified to comply with all ordinances, building codes, permit requirements, and lease requirements and restrictions applicable to the Bakery. You must submit final construction plans and specifications to us for our review and acceptance before you begin construction at the Bakery, and must construct the Bakery under those approved plans and specifications, including any changes we require.

3.3 Development of the Franchise. You agree to do the following at your own expense and according to any specification in the Confidential Operations Manual and our specifications within 90 days of the Effective Date of this Franchise Agreement: (1) secure all financing required to fully develop the Franchise; (2) obtain all required building, utility, sign, health, sanitation, business permits and licenses, and any other required permits and licenses; (3) construct the Bakery according to the construction plans and specifications we have approved; (4) purchase and install at your sole expense all required fixtures, furnishings, and equipment in the Bakery; (5) complete the training requirements detailed in Section 4; (6) purchase an opening inventory of products and other supplies and materials; (7) provide proof, in a form satisfactory to us, that your operation of the Franchise at the Approved

Location does not violate any applicable state or local zoning or land use laws, ordinances, or regulations, or any restrictive covenants that apply to such location; (8) provide proof, in a form satisfactory to us, that you (or your Managing Owner, as defined in Section 4.1 below, if you are an entity), and/or your Designated Manager, if any (as defined in Section 4.1) are legally authorized and have all licenses necessary to perform all of the services to be offered by your Franchise, and your organizational structure follows all legal requirements; (9) pay us all amounts due to us and do any other acts necessary to open the Franchise for business; (10) obtain our acceptance to open the Franchise for business; and (11) open the Franchise for business.

3.4 **Computer System.** You agree to use in the development and operation of the Franchise the point of sale system and computer terminals systems and operating software we specify from time to time in the Confidential Operations Manual (“Computer System”). You acknowledge we may modify such specifications and the components of the Computer System from time to time. As part of the Computer System, we may require you to obtain specified computer hardware and/or software, including without limitation, a license to use proprietary software developed by us or others. You will be required to sign any use and license agreement for our proprietary software.

(a) *Specifications and Modifications.* Our modification of such specifications for the components of the Computer System may require you to incur costs to purchase, lease, and/or obtain by license new or modified computer hardware and/or software, and to obtain service and support for the Computer System during the term of this Franchise Agreement. You acknowledge that we cannot estimate the future costs of the Computer System (or additions or modifications thereto), and that the cost to you of obtaining the Computer System (or additions or modifications thereto), including software, may not be fully amortizable over the remaining term of this Franchise Agreement. Nonetheless, you agree to incur such costs in connection with obtaining the computer hardware and software comprising the Computer System (or additions or modifications thereto). Within 60 days after you receive notice from us, you agree to obtain the components of the Computer System we designate and require. You further acknowledge and agree that we and our affiliates have the right to charge a reasonable systems fee for software or systems installation services; modifications and enhancements specifically made for us or our affiliates that are licensed to you; and other maintenance and support Computer System-related services that we or our affiliates furnish to you. You will have sole responsibility at your cost for: (1) the acquisition, operation, maintenance, backup, and upgrading of your Computer System; (2) the manner in which your Computer System interfaces with our computer system and those of third parties; and (3) any and all consequences that may arise if your Computer System is not properly operated, maintained, backed up, and upgraded. You must comply with all laws that applicable to the Computer System and other technology used in the operation of your Cookie Advantage Business, including all data protection or security laws as well as PCI (payment card industry) compliance.

The Computer System will manage the daily workflow of the Cookie Advantage Business, coordinate the customer ordering experience, scheduling, and other information. You must record all gross revenue on the Computer System. You must store all data and information in the Computer System that we designate, and report data and information in the manner we specify. The Computer System will generate reports on the gross revenue of your Franchise. You must also maintain a high-speed Internet connection for the Cookie Advantage Business. You must accept all credit cards and debit cards that we determine. We are not required to provide you with any ongoing maintenance, repairs, upgrades, updates, or support for the Computer System. There are no limitations regarding the costs of such required support, maintenance, repairs, or upgrades relating to the Computer System.

We own all data generated by the Computer System concerning the Cookie Advantage Business, including data and customer lists stored in the Computer System and on any Internet website. We (or our designee(s)) have the right to independently access the electronic information and data relating to your Franchise, and to collect and use your electronic information and data in any manner, including to promote the System and the sale of Franchises. This may include posting financial information of each franchisee on an intranet website. There is no contractual limitation on our right to receive or use information through our proprietary data management and intranet system. The information collected by us about your Territory with the Cookie Advantage business software (“Software”) will be available to you upon request, and at no cost to you; however, you will not be able to independently obtain this information without requesting the information from us. We may access the electronic information and data from your Computer System remotely, in your Franchise, or from other locations.

If you are in default of any obligations under this Franchise Agreement, we may, in addition to any other remedy we may have under the Franchise Agreement, temporarily inhibit your access to all or part of the Computer System, including the Software, until you have cured such default completely.

(b) *Computer System Hosting.* We may permit you to have nonexclusive Internet access to a computer server hosted by us or our agent, and software programs owned or licensed by us and residing on the server, together with a user’s manual (collectively, included in the definition of Computer System), for use by you solely for the operation of the Cookie Advantage Business. You agree you acquire no title or ownership in any component of the Computer System, and that as between both of us, all right, title, and interest in the Computer System is owned by us. Your right of access to and use of the Computer System are subject to your being in Good Standing (as defined below) and your compliance with each of the following terms and conditions. “Good Standing” as used in this Franchise Agreement shall mean you are not in ~~material~~ default under this Franchise Agreement, or any other agreement pertaining to the Cookie Advantage Business, and no event shall have occurred and be continuing which, with notice or the passage of time or both, would constitute such a default.

(1) **Use.** You will use the Computer System solely with the computer hardware and third-party software specified from time to time in the Confidential Operations Manual, solely at the location of the Bakery accepted by us and specified in Attachment 1, and solely for the operation of the Cookie Advantage Business.

(2) **Confidentiality.** You will not permit access to the Computer System to any person or entity other than to your employees who require access to perform their normal employment duties for you.

(3) **Modification.** You will make no changes or modifications to any part of the Computer System.

(4) **Limited Warranty.** ACCESS TO THE COMPUTER SYSTEM WILL BE PROVIDED TO YOU “AS IS” WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESSED OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. We do not warrant that the functions of the Computer System will meet your requirements or that the operation of the Computer System will be uninterrupted or error-free.

(5) **Archive Copies of Data.** You shall be solely responsible for making and storing your own periodic or permanent archive copies of your data. We may, at our option, make and retain archive copies of any data, but we have no obligation to do so.

(6) **Enhancements.** We may periodically develop or acquire revised, updated, enhanced, or substitute or additional components for the Computer System, in which case such substitute or additional components will be deemed part of the Computer System. We may charge for these upgrades. If you must obtain new or upgraded computer hardware or software in order to fully utilize any substitute or additional component of the Computer System, you must obtain such hardware or software and install it within 60 days after notice from us.

(7) **Support.** At your reasonable request, we will make Software support reasonably available to you and may be subject to our then-current fees for additional assistance. Support will be given during our regular business hours and via written materials, electronic media, telephone, or other methods in our discretion.

(8) **Privacy.** You agree to comply with all applicable laws pertaining to the privacy of customer, employee, and transactional information (“Privacy Laws”). You also agree to comply with our standards and policies pertaining to Privacy Laws. If there is a conflict between our standards and policies pertaining to Privacy Laws and actual applicable law, you will: (i) comply with the requirements of applicable law; (ii) immediately give us written notice of said conflict; and (iii) promptly and fully cooperate with us and our counsel in determining the most effective way, if any, to meet our standards and policies pertaining to Privacy Laws within the bounds of applicable law. You agree not to publish, disseminate, implement, revise, or rescind a data privacy policy without our prior written consent as to said policy.

3.5 **Equipment.** You agree to use in the development and operation of the Franchise only those brands, types, and/or models of equipment we have approved, or that meet our specifications in the Confidential Operations Manual.

3.6 **Franchise Opening.** You must open your Cookie Advantage Business within 90 days of the Effective Date of this Franchise Agreement. Failure to open your Cookie Advantage Business within this 90-day window is a material breach of the Franchise Agreement, which provides us with the right to terminate the Franchise Agreement. You agree not to open the Franchise for business until: (1) we notify you in writing that all of your pre-opening obligations have been fulfilled; (2) you have completed the initial training program to our satisfaction; (3) all amounts due to us have been paid; (4) we have been furnished with copies of all insurance policies and certificates required by the Franchise Agreement, or other documentation of insurance coverage and payment of premiums we request; (5) you notify us that all approvals and conditions stated in this Franchise Agreement have been met; (6) you have received all required permits and licenses; and (7) you have ordered and received your equipment, supplies, inventory, and related materials. You must be prepared to open and operate your Cookie Advantage Business immediately after we state your Cookie Advantage Business is ready for opening.

4. **TRAINING**

4.1 **Designated Manager.** The Cookie Advantage Business shall be managed by you, or if you are an entity, by one of your owners who is a natural person with at least a one-third (1/3) ownership interest and voting power in the entity (“Managing Owner”). We may, in our sole discretion, allow you to appoint a designated manager (“Designated Manager”) to run the day-to-day operations of the Cookie

Advantage Business. We may require that the Designated Manager have an ownership interest in the entity of the Franchisee. If you replace a Designated Manager, the new Designated Manager must satisfactorily complete our training program at your own expense within 60 days after the termination of the former Designated Manager. The term “Designated Manager” means an individual with primary day-to-day responsibility for the Franchise’s operations. You (or your Managing Owner, if you are an entity), or the Designated Manager will be obligated to devote his or her full time, best efforts, and constant personal attention to the Franchise’s operations, and must have full authority from you to implement the System at the Franchise. Each Designated Manager and successor Designated Manager must attend and complete our Initial Training (as defined in this Franchise Agreement). Each Designated Manager must sign a System Protection Agreement, the current form of which is attached in Exhibit H of the Franchise Disclosure Document. You must forward to us a copy of each such signed agreement. If we determine, in our sole discretion, during or following completion of the initial training program, that your Designated Manager (if any) is not qualified to act as Designated Manager of the Franchise, then we have the right to require you to have the Designated Manager satisfactorily complete additional training at your expense or, if the Designated Manager does not satisfactorily complete such training, then to choose (and obtain our acceptance of) a new individual for that position.

4.2 **Training.** You acknowledge it is crucial to the operation of the Franchise that you and your employees receive appropriate training. You agree:

(a) At least 30 days before the Franchise opens for business, you (if you are an individual) or your Managing Owner (if you are an entity), your Designated Manager (if any), and other employees we designate you must attend our initial training program for your Franchise (“Initial Training Program”) at the time and place we designate. The Initial Training Program will include classroom instruction and Franchise operation training, and will be furnished at our training facility, a Cookie Advantage Business location we designate, your Franchise location, and/or at another location we designate. Although we may allow some of your employees to attend our Initial Training Program and although this training may be different for different employees, you are still responsible for providing training for your employees other than your Managing Owner and Designated Manager. We will provide this Initial Training Program without charge to you if you and your employees attend the same Initial Training Program at the same time. Each person required to attend the Initial Training Program must complete the program to our satisfaction, and any attendee who fails to complete the program to our satisfaction will be required to be retrained at the time, place, and cost to be set by us, and at your sole expense. We reserve the right to vary the length and content of the Initial Training Program as we deem appropriate in our sole discretion based on the experience of the attendee. We reserve the right to select when you will attend the Initial Training Program and may delay your attendance until a suitable time near the grand opening date for your Cookie Advantage Business in our sole discretion. If we, in our sole discretion, determine that any Designated Manager or employee whom we require to attend any Initial Training Program cannot satisfactorily complete such program, then you must hire a substitute Designated Manager or employee who must enroll in the Initial Training Program within 15 days, and complete the Initial Training Program to our satisfaction. We may charge a fee and our expenses for this additional initial training.

(b) You agree to have any replacement Designated Manager (if any) and/or other employees we specify complete the Initial Training Program at places and times as we may request from time to time during the term of this Franchise Agreement.

(c) In addition to providing the Initial Training Program described above, we provide pre-opening assistance and pre-opening training to you (or your Managing Owner, if you are an entity) and your Designated Manager (if any) (“Pre-Opening Training Program”) at your Bakery.

The Pre-Opening Training will occur immediately prior to and immediately following the date that your Franchise opens. If Franchisee, in Franchisor's sole discretion, requires additional assistance after completing Pre-Opening Training, Franchisor may require Franchisee to attend extended Pre-Opening Training and charge Franchisee its then-current fee for such training, which must be paid in advance.

(d) In addition to providing the Initial Training Program and Pre-Opening Training Program described above, we reserve the right to offer and hold such additional ongoing training programs and Franchise owners' meetings regarding such topics and at such times and locations as we may deem necessary or appropriate. We also reserve the right to make these training programs mandatory for you and/or designated owners, employees, and/or representatives of yours. We may charge you a daily attendance fee in an amount to be set by us for each attendee of yours who attends any mandatory or optional training program or owners meeting or for any individual who attends the Initial Training Program at a different time than the first person who attended an Initial Training Program. We may choose to hold an annual conference and charge you for an annual conference fee, regardless of whether or not you attend the annual conference, to help defray the cost of holding the annual conference. It is mandatory that you attend any annual conference that we hold. We may preclude you from attending an annual conference if you have had two notices of default within 12 months prior to any annual conference or if you are in default at the time of the annual conference.

(e) You agree to pay all wages and compensation owed to, and travel, lodging, meal, transportation, and personal expenses incurred by, all of your personnel who attend our Initial Training Program and/or any mandatory or optional training we provide.

(f) The Franchise's Designated Manager (if any) and other employees shall obtain all certifications and licenses required by law to perform their responsibilities and duties for the Franchise.

4.3 **Notice.** If you believe that we or our affiliates have failed to adequately provide any assistance or services to you as provided in this Franchise Agreement, you will notify us in writing within 30 days following ours or our affiliates' provision of such assistance or services. Without the timely provision of such notice to us, you will be deemed to conclusively acknowledge that all such assistance or services required to be provided by us or our affiliates were sufficient and satisfactory in your judgment.

5. GUIDANCE; CONFIDENTIAL OPERATIONS MANUAL

5.1 **Guidance and Assistance.** During the term of this Franchise Agreement, we may from time to time furnish you guidance and assistance regarding: (1) standards, specifications, and operating procedures used by Franchises; (2) purchasing approved equipment, materials, and supplies; (3) development and implementation of local advertising and promotional programs, if any; (4) general operating and management procedures; (5) establishing and conducting employee training programs for your Franchise; and (6) changes in the above that occur from time to time. This guidance and assistance will be given during our regular business hours and may, in our discretion, be furnished in bulletins, written reports and recommendations, operations manuals and other written materials ("Confidential Operations Manual"), and/or telephone consultations and/or personal consultations at our offices or your Cookie Advantage Business or Bakery or other methods in our discretion. If you request, and if we agree to provide, any additional, special on-premises training of your personnel or other assistance in operating your Franchise, then you agree to pay a daily training fee in an amount to be set by us, and all expenses we incur in providing such training or assistance, including any wages or compensation owed to, and travel, lodging, transportation, and living expenses incurred by, our personnel.

5.2 **Confidential Operations Manual.** The Confidential Operations Manual will contain mandatory and suggested standards, specifications, and operating procedures we prescribe from time to time for your Franchise, and information relative to other obligations in the operation of the Franchise. The Confidential Operations Manual may be composed of or include audiotapes, videotapes, computer disks, compact disks, and/or other written or intangible materials. We may make all or part of the Confidential Operations Manual available to you through various means, including the Internet. A previously delivered Confidential Operations Manual may be superseded from time to time with replacement materials to reflect changes in the standards, specifications, operating procedures, and other obligations in operating the Franchise. You must keep your copy of the Confidential Operations Manual current, and if you and we have a dispute over the contents of the Confidential Operations Manual, then our master copy of the Confidential Operations Manual will control. You agree you will not copy any part of the Confidential Operations Manual, permit it to be copied, disclose it to anyone not needing to know its contents to operate your Franchise, or remove it from the Cookie Advantage Business or Bakery location without our permission. If your copy of the Confidential Operations Manual is lost, destroyed, or significantly damaged, then you must obtain a replacement copy from us at our then-current charge. You acknowledge that your compliance with the Confidential Operations Manual is vitally important to us and other franchisees and is necessary to protect our reputation and the goodwill of the Marks and to maintain the uniform quality of operation through the System. However, while the Confidential Operations Manual is designed to protect our reputation and the goodwill of the Marks, it is not designed to control the day-to-day operation of the Franchise.

5.3 **Modifications to System.** We will continually be reviewing and analyzing developments to the System, and based upon evaluating this information, may change the System, including, but not limited to, adding new components to services offered and equipment used by Franchises. Changes in laws regulating the services offered by Franchises may: (a) require us to restructure our Franchise program, (b) require your Designated Manager (if any) and employees to obtain additional licenses or certifications, and/or (c) require you to retain or establish relationships with additional professionals and specialists in the industry. You agree, at our request, to modify the operation of the Franchise to comply with all such changes, and to be solely responsible for all related costs.

6. **FEES**

6.1 **Initial Franchise Fee.** You agree to pay us the initial franchise fee (“Initial Franchise Fee”) of \$34,900 when you sign this Franchise Agreement. In recognition of the expenses we incur in furnishing assistance and services to you, our expenses for franchisee recruitment, and the lost or deferred opportunity to enter into this Franchise Agreement with others, you agree we will have fully earned the Initial Franchise Fee, and that it is due and nonrefundable when you sign this Franchise Agreement.

6.2 **Royalty.** You agree to pay us a royalty fee (“Royalty”) as follows: (1) for the first 12 months of operation, six percent (6%) of the Gross Revenues (as defined below) of the Cookie Advantage Business; and (2) beginning on the 13th month of operation and continuing through the remainder of the Term and any Successor Term, the greater of (i) \$800 per month (“Minimum Royalty”), or (ii) six percent (6%) of the Gross Revenues of the Cookie Advantage Business. The Royalty will be payable monthly on the 15th day of the month, and will be based on the Franchise’s Gross Revenues for the preceding month.

The term “Gross Revenues” means the total selling price of all products and/or services of every kind or nature sold from, at, or in connection with the operation of your Cookie Advantage Business (including all proceeds from any business interruption insurance), including the full redemption value of any gift certificate or coupon sold for use at the Cookie Advantage Business (fees retained by or paid to third-party sellers of such gift certificates or coupons are not excluded from this calculation), and all

income and consideration of every other kind and nature related to the Bakery operation, whether for cash or credit, and regardless of collection. Gross Revenues do not include:

- (i) any tax imposed by any federal, state, municipal, or other governmental authority directly on sales and collected from customers, provided the amount of any such tax is shown separately and paid by Franchisee to the appropriate governmental authority; and
- (ii) all customer refunds, valid discounts and coupons, and credits made by the Bakery (exclusions will not include any reductions for credit card user fees, returned checks, or reserves for bad credit or doubtful accounts).

Gross Revenues shall be deemed received by you when the products or services from which they were derived are delivered or rendered, or when the relevant sale takes place, whichever occurs first, regardless of whether final payment (e.g., collection on a customer's personal check) has been received by you. Gross Revenues for the barter of any products or services shall be valued at the retail prices applicable and in effect when they are received. You and we acknowledge and agree that the Royalty represents compensation paid by you to us for the guidance and assistance we may provide and for our Marks, Confidential Information (as defined in Section 9.1), know-how, and other intellectual property we allow you to use under this Franchise Agreement. The Royalty does not represent payment for the referral of customers to you, and you acknowledge and agree that the services we offer to you and our other Cookie Advantage franchisees do not include the referral of customers.

6.3 **Technology Fee.** You must pay us a monthly technology fee ("Technology Fee") at our then-current rate (currently \$100 per month). You will pay this in the same manner as you pay your Royalty, and at the time specified by us. We reserve the right to increase or decrease this fee upon 30 days' written notice to you in the event we offer updated or additional software or technology for use in the Cookie Advantage Business. You must use all software required by us including our proprietary software. We also reserve the right to create additional proprietary software or technology that must be used by Cookie Advantage franchisees. We may require that you enter into a license agreement with us and pay us reasonable initial and ongoing licensing, support and maintenance fees for any such software. We also reserve the right to enter into a master license agreement with any software or technology supplier and sublicense the software or technology to you, in which case we may charge you for all amounts that we must pay to the licensor based on your use of the software or technology. You will be responsible for any increase in fees that result from any upgrades, modifications or additional software or from increases from third-party vendors.

6.4 **Interest on Late Payments.** All Royalties and amounts due from you for any purchases from us or our affiliates, and other amounts which you owe us or our affiliates (unless otherwise provided for in a separate agreement between us or our affiliates) will accrue interest after their respective due dates at the lesser of: (i) the highest commercial contract interest rate permitted by state law, or (ii) the rate of one and one-half percent (1.5%) per month, which interest shall continue to accrue until the overdue amount and interest are both paid. You acknowledge that including this Section in this Franchise Agreement does not mean we agree to accept or condone late payments, nor does it indicate we have any intention to extend credit to, or otherwise finance your operation of the Franchise. We have the right to require that any payments due us or any affiliate be made by certified or cashier's check if any payment is not honored by the bank upon which the check is drawn. We also receive the right to charge you a fee of \$100 for any payment not honored by the bank upon which it is drawn. Payments due us or our affiliates will not be deemed received until funds from the deposit of any amount, whether check or automatic debit, by us or our affiliates, is collected from your account. The imposition of interest under this Section shall be in addition to any other remedies we may have under this Franchise Agreement or at law, including termination of this Franchise Agreement as provided in Section 15.

6.5 **Application of Payments and Late Reporting Fee.** When we receive a payment from you, we have the right, in our sole discretion, to apply it as we see fit to any past due indebtedness of yours due to us or our affiliates, whether for Royalties, purchases, interest, or for any other reason, regardless of how you may designate a particular payment should be applied. To encourage prompt delivery of all business records, certificates of insurance, Gross Revenues statements, and any other documentation or record that may be requested by us under this Franchise Agreement, you shall pay, upon demand, a late report fee in the amount of \$100 per month, plus interest equal to the lesser of: (i) one and one-half percent (1.5%) per month; or (ii) the maximum rate allowed by law, if you fail to deliver such record or document when due. The \$100 monthly fee is incurred and due each month until the report is received.

6.6 **Modification of Payments.** If, by operation of law or otherwise, any fees contemplated by this Franchise Agreement cannot be based upon Gross Revenues, then you and we agree to negotiate in good faith an alternative fee arrangement. If you and we cannot agree on an alternative fee arrangement, then we reserve the right to terminate this Franchise Agreement upon notice to you, in which case all of the post-termination obligations in Section 16 shall apply.

6.7 **Method of Payment.** You must complete our automated clearing house (ACH) authorization form allowing us to electronically debit a bank account that you designate (“Franchise Account”) for: (i) all fees payable to us under this Franchise Agreement (other than the Initial Franchise Fee); and (ii) any other amounts that you owe to us or any of our affiliates including, but not limited to, those owed for the purchase of products or services. We will debit your Franchise Account for these payments on or after the due date. You must sign and deliver to us any other documents that we or your bank may require authorizing us to debit your Franchise Account for these amounts.

We have the right to periodically specify (in the Confidential Operations Manual or otherwise by writing) different payees and/or payment methods, such as, but not limited to, weekly or monthly payment, payment by auto-draft, credit card, and payment by check. If you make any payment to us by credit card for any fee or required payment, we may charge you a service charge of up to four percent (4%) of the total charge.

6.8 **CPI Adjustment to Fixed Fees.** All fees expressed as a fixed dollar amount in this Franchise Agreement are subject to adjustment based on changes to the Consumer Price Index in the United States. We may periodically review and increase these fees based on changes to the Consumer Price Index, but only if the increase to the Consumer Price Index is more than 5% higher than the corresponding Consumer Price Index in effect on: (a) the effective date of the Franchise Agreement (for the initial fee adjustments); or (b) the date we implemented the last fee adjustment (for subsequent fee adjustments). We will notify you of any CPI adjustment at least 60 days before the fee adjustment becomes effective. We will implement no more than one fee adjustment during any calendar year. Notwithstanding the foregoing, the fee adjustments in this Section shall not impact fees which we reserve the right to increase in higher amounts or to adjust more frequently, including but not limited to the Technology Fee.

7. **MARKS AND IMPROVEMENTS**

7.1 **Ownership and Goodwill of Marks.** You acknowledge your right to use the Marks is derived solely from this Franchise Agreement, and is limited to your operation of the Franchise under and in compliance with this Franchise Agreement and all standards, specifications, and operating procedures we prescribe from time to time during the Term of the Franchise. You understand and acknowledge our

right to regulate the use of the Marks includes, without limitation, any use of the Marks in any form of electronic media, such as websites or web pages, or as a domain name or electronic media identifier. If you make any unauthorized use of the Marks, it will constitute a breach of this Franchise Agreement and an infringement of our rights in the Marks. You acknowledge and agree that all your usage of the Marks and any goodwill established by your use will inure exclusively to our benefit and the benefit of our affiliates, and this Franchise Agreement does not confer any goodwill or other interests in the Marks on you (other than the right to operate the Franchise in compliance with this Franchise Agreement). All provisions of this Franchise Agreement applicable to the Marks will apply to any additional trademarks, service marks, commercial symbols, designs, artwork, or logos we may authorize and/or license you to use during the term of this Franchise Agreement.

7.2 **Limitations on Your Use of Marks.** You agree to use the Marks as the sole trade identification of the Franchise. You must indicate to the public, in the form we prescribe, in any contract, advertisement, and with a conspicuous sign in your Bakery, that you are an independently owned and operated licensed franchisee of Cookie Advantage, Inc. You agree not to use any Mark as part of any corporate or trade name or with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos and additional trade and service marks licensed to you under this Franchise Agreement), or in any modified form. You also shall not use any Mark or any commercial symbol similar to the Marks with the performance or sale of any unauthorized products or services, or in any other manner we have not expressly authorized in writing. You agree to display the Marks in the manner we prescribe at the Bakery and for advertising and marketing materials, and to use, with the Marks, any notices of trade and service mark registrations we specify. You further agree to obtain any fictitious or assumed name registrations if required under applicable law.

7.3 **Notification of Infringements and Claims.** You agree to immediately notify us in writing of any apparent infringement of or challenge to your use of any Mark, or claim by any person of any rights in any Mark or similar trade name, trademark, or service mark of which you become aware. You agree not to communicate with anyone except us and our counsel in connection with any such infringement, challenge, or claim. We have the right to exclusively control any litigation or other proceeding arising out of any actual or alleged infringement, challenge, or claim relating to any Mark. You agree to sign any documents, render any assistance, and do any acts our attorneys say is necessary or advisable to protect and maintain our interests in any litigation or proceeding related to the Marks, or to otherwise protect and maintain our interests in the Marks.

7.4 **Discontinuance of Marks.** If it becomes advisable at any time in our sole judgment for the Franchise to modify or discontinue using any Mark, or use one or more additional or substitute trade or service marks, including the Marks used as the name of the Franchise, then you agree, at your sole expense, to comply with our directions to modify or otherwise discontinue using the Mark, or use one or more additional or substitute trade or service marks, within a reasonable time after our notice to you.

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

7.6 **Improvements.** Any improvements or additions to the System, system website, or any other documents or information pertaining to or relating to the System or the Cookie Advantage Business, or any new trade names, trade and service marks, logos, or commercial symbols related to the Cookie Advantage Business, or any advertising and promotional ideas or inventions related to the Cookie Advantage Business (collectively, the “Improvements”) conceived or developed by you shall become our

property. You agree to assign and do hereby assign to us, all right, title, and interest in and to the Improvements, including the right to grant sublicenses to any such Improvement. You shall fully disclose the Improvements to us, without disclosure of the Improvements to others, and shall obtain our written approval prior to using such Improvements. Any such Improvement may be used by us and all of our other Cookie Advantage franchisees without any obligation to you for Royalties or other fees. We may, at our discretion, apply for and own copyrights, patents, trade names, trademarks, and service marks relating to any such Improvement, and you shall cooperate with us in securing such rights. We may also consider such Improvements as our property and trade secrets. In return, we shall authorize you to utilize any Improvement that may be developed by other franchisees and is authorized generally for use by other franchisees. All Improvements created by you or any other person or entity retained or employed by you are our property, and we shall be entitled to use and license others to use such Improvements unencumbered by moral rights. If any of the Improvements are copyrightable materials, they shall be works-made-for-hire within the meaning of the United States Copyright Act and, to the extent the copyrightable materials are not works-made-for-hire, or rights in the copyrightable materials do not automatically accrue to us, you irrevocably assign and agree to assign to us, our successors and assigns, the entire right, title, and interest in perpetuity throughout the world in and to any and all rights, including all copyrights and related rights in such copyrighted materials, which you and the author of such copyrighted materials warrant and represent as being created by and wholly original with the author. Where applicable, you agree to obtain any other assignments of rights in the Improvements from another person or entity necessary to ensure our right in the Improvements as required in this Section.

8. RELATIONSHIP OF THE PARTIES; INDEMNIFICATION; PHOTO/VIDEO RELEASE

8.1 **Independent Contractor; No Fiduciary Relationship.** You acknowledge and agree that this Franchise Agreement does not create a fiduciary relationship between you and us, that you and we are independent contractors, and that nothing in this Franchise Agreement is intended to make either party a general or special agent, joint venturer, partner, or employee of the other for any purpose. You further agree that fulfillment of any and all of our obligations written in the Franchise Agreement, or based on any oral communications which may be ruled to be binding in a court of law, shall be our sole responsibility and none of our owners, officers, agents, representatives, nor any individuals associated with us shall be personally liable to you for any reason. You agree to conspicuously identify yourself in all your dealings with customers, suppliers, public officials, Franchise personnel, and others as the owner of the Franchise under a franchise agreement, and to place any other notices of independent ownership on your forms, business cards, stationery, advertising, and other materials as we may require from time to time. You have no authority to create or assume in our name or on our behalf any obligation, express or implied, or to act or purport to act as our agent or representative for any purpose whatsoever. All employees or independent contractors hired by or working for you will be your employees or independent contractors alone and will not, for any purpose, be deemed our employees or subject to our control, most particularly with respect to any mandated or insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state, or federal governmental agency. You and we will file our own tax, regulatory and payroll reports, and be responsible for all operations, and we will save and indemnify one another of and from any liability of any nature whatsoever by virtue thereof. You will use your legal name on all documents for use with employees and contractors, including but not limited to, employment applications, time cards, pay checks, and employment and independent contractor agreements and will not use the Marks on these documents.

8.2 **No Liability, No Warranties.** We have not authorized or empowered you to use the Marks except as provided by this Franchise Agreement, and you agree not to employ the Marks in signing any contract, check, purchase agreement, negotiable instrument or legal obligation, application for any license or permit, or in a manner that may result in liability to us for any indebtedness or obligation of yours. Except as expressly authorized by this Franchise Agreement, neither you nor we will make any

express or implied agreements, warranties, guarantees, or representations, or incur any debt in the name of or on behalf of the other, or represent your and our relationship is other than that of franchisor and franchisee.

8.3 **Indemnification.** You agree to indemnify, defend, and hold us, any affiliates we may have, and our and their respective owners, directors, officers, employees, agents, successors, and assigns (individually, an “Indemnified Party,” and collectively, the “Indemnified Parties”), harmless against, and to reimburse such Indemnified Parties for, all such obligations, damages, and taxes arising out of or affecting (i) this Franchise Agreement or your breach thereof, (ii) your failure to make any payment required by this Franchise Agreement or necessitated by the operation of your Cookie Advantage Business; (iii) the operation of the Cookie Advantage Business or the equipment or supplies used in connection therewith (including the provision of services to National Account Customers), (iv) any bodily injury, death, or property damage, or arising out of your employment or other contractual relationship with you employees, workers, managers, or independent contractors, including, but not limited to, any allegation, claim, finding, or ruling that we are an employer or joint employer of your employees; (v) any other violation or injury to others or their rights or interests, or in any other manner (including any damages for any loss of resulting from a breach of such data caused, in whole or in part, by you or the Franchise), and for all costs the Indemnified Party reasonably may incur in the defense of any such claim brought against the Indemnified Party, or in any such action in which the Indemnified Party may be named as a party, including, without limitation, actual and consequential damages; reasonable attorney, accountants’, and/or expert witness fees; cost of investigation and proof of facts; court costs; other litigation expenses; and travel and living expenses. Each Indemnified Party has the right to defend any such claim against the Indemnified Party. You further agree to hold us harmless and indemnify and defend us for all costs, expenses, and/or losses we incur in enforcing this Franchise Agreement, defending our actions taken relating to this Franchise Agreement, or resulting from your breach of this Franchise Agreement, including, without limitation, reasonable arbitrators’ and attorney fees (including those for appeal). Your indemnification obligations described above will continue in full force and effect after, and notwithstanding, the expiration or termination of this Franchise Agreement. We will not assume any liability or be deemed liable for any agreements or representations you make, nor for any warranties unless such warranties comply with the warranties required to be offered under this Franchise Agreement, nor will we be obligated for any damages to any person or property directly or indirectly arising out of the operation of the business you conduct under this Franchise Agreement, including, but not limited to, any claim arising out of your employment or other contractual relationship with your employees or independent contractors, whether or not caused by your negligent or willful action or failure to act. We will have no liability for any sales, use, excise, income, gross receipts, property, or other taxes levied against you or your assets, or on us, for the business you conduct, or any payments you make to us under this Franchise Agreement (except for our own income taxes).

8.4 **Photo/Video Release.** You acknowledge and authorize us to use your likeness in a photograph or video in any and all of our publications, including printed and digital publications and on websites. You agree and understand that any photograph or video using your likeness will become our property and will not be returned. You agree and irrevocably authorize us to edit, alter, copy, exhibit, publish, or distribute any photograph or video of you for any lawful purpose. You agree and waive any rights to royalties or any other compensation related to our use of any photograph or video of you. You agree to hold harmless and forever discharge us from all claims, demands, and causes of action which you may have in connection with this authorization. For purposes of this Section, “you” shall refer to your owners if you are an entity.

9. CONFIDENTIAL INFORMATION; NON-COMPETITION

9.1 **Types of Confidential Information.** We possess certain unique confidential and proprietary information and trade secrets comprising the following categories of information, methods, techniques, products, and knowledge developed by us, including, but not limited to: (1) products and services offered and sold at Franchises; (2) knowledge of sales and profit performance of any one or more Franchises, including customer data and lists; (3) knowledge of sources of products sold at Franchises, advertising and promotional programs, and products purchased for image and decor; (4) methods, techniques, formats, specifications, procedures, information, systems, and knowledge of, and experience in, the development, operation, and franchising of Franchises; and (5) methods of training employees. We will disclose much of the above-described information to you in advising you about site selection, providing our Initial Training Program, the Confidential Operations Manual, and providing guidance and assistance to you under this Franchise Agreement. In the course of the operation of your Franchise, you or your employees may develop ideas, concepts, methods, or techniques of improvement relating to the Franchise you agree to disclose to us, and that we may then authorize you to use in the operation of your Franchise, and may use or authorize others to use in other Franchises owned or franchised by us or our affiliates. (Any such information disclosed to or developed by you will be referred to in this Franchise Agreement as “Confidential Information.”)

9.2 **Non-Disclosure Agreement.** You agree your relationship with us does not vest in you any interest in the Confidential Information, other than the right to use it in the development and operation of the Franchise, and that the use or duplication of the Confidential Information in any other business would constitute an unfair method of competition. You acknowledge and agree that the Confidential Information belongs to us, may contain trade secrets belonging to us, and is disclosed to you or authorized for your use solely on the condition you agree, and you therefore agree, that you (and your owners, officers, directors, or Designated Managers): (1) will not use the Confidential Information in any other business or capacity; (2) will maintain the absolute confidentiality of the Confidential Information during and after the term of this Franchise Agreement; (3) will not make unauthorized copies of any portion of the Confidential Information; and (4) will adopt and implement all reasonable procedures we may prescribe from time to time to prevent unauthorized use or disclosure of the Confidential Information, including, without limitation, restrictions on disclosure to your employees, and using non-disclosure and non-competition agreements we may prescribe or approve for your shareholders, partners, members, officers, directors, employees, independent contractors, or agents who may have access to the Confidential Information, such as execution of the agreement attached to the Franchise Disclosure Document. You must have your shareholders, partners, members, officers, directors, Designated Manager, and such other employees, independent contractors, or agents who may have access to the Confidential Information execute the confidentiality agreement required for such individual as attached to the Franchise Disclosure Document.

9.3 **In-Term Non-Competition Agreement.** You agree that we would be unable to protect the Confidential Information against unauthorized use or disclosure, and would be unable to encourage a free exchange of ideas and information among Franchises, if owners of Franchises could hold interests in any competitive businesses (as described below). Therefore, during the term of this Franchise Agreement, neither you, nor any owner, nor any member of your immediate family or of the immediate family of any owners, officers, directors, or Designated Managers shall perform services for, or have any direct or indirect interest as a disclosed or beneficial owner, investor, partner, director, officer, employee, manager, consultant, representative, or agent in, any Competitive Business (as described below). A “Competitive Business” is any business that: (i) sells or offers to sell products the same as or similar to the type of products sold by you in and/or from the Bakery (including, but not limited to, the products we authorize); or (ii) provides or offers to provide services the same as or similar to the type of services sold by you in and/or from the Bakery (including, but not limited to, the services we authorize), but excludes a

Cookie Advantage Business operating pursuant to a franchise agreement with us. (The ownership of five percent (5%) or less of a publicly traded company will not be prohibited by this Section.)

In the event of a Transfer (as defined in this Franchise Agreement), or after the termination or expiration of this Franchise Agreement, you will abide by the non-competition provisions in Sections 14.5 and 16.5, respectively.

9.4 **Exception to Confidentiality.** Notwithstanding the foregoing, the restrictions on the disclosure and use of the Confidential Information will not apply to disclosure of Confidential Information: (i) made in confidence to a government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law; (ii) made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; (iii) made in cases of suit for retaliation based on the reporting of a suspected violation of law, disclosure of Confidential Information to an attorney and for use of the Confidential Information in such court proceeding, so long as any document containing the Confidential Information is filed under seal and Confidential Information is not otherwise disclosed except pursuant to court order.

10. **FRANCHISE OPERATING STANDARDS**

10.1 **Condition and Appearance of the Franchise.** You agree that:

(a) neither the Franchise nor the Bakery will be used for any purpose other than the operation of the Franchise in compliance with this Franchise Agreement, under our standards;

(b) you will maintain the condition and appearance of the Cookie Advantage Business, the Bakery and its equipment under our standards and consistent with the image of a Franchise as an efficiently operated business offering high quality services, and observing the highest standards of cleanliness, efficient, courteous service, and pleasant ambiance, and in that connection will take, without limitation, the following actions during the term of this Franchise Agreement: (1) thorough cleaning of the interior and exterior of the Bakery at reasonable intervals; (2) interior and exterior repair of the Bakery; and (3) repair or replacement of damaged, worn-out, or obsolete equipment and furnishings;

(c) you will promptly replace or add new equipment when we reasonably specify to meet changing standards or new methods of service;

(d) on notice from us, you will engage in modification and/or expansion of the Franchise to reflect changes in the operations of Franchises we prescribe and require of new franchisees, provided that: (1) no material changes will be required unless there are at least two years remaining on the initial Term of the Franchise (all actual changes will be subject to our approval); and (2) we have completed the proposed change in at least twenty-five percent (25%) of all similarly situated Company and affiliate-owned Cookie Advantage Businesses, and have undertaken a plan to make the proposed change of such Company and affiliate-owned Franchises;

(e) if, in our reasonable judgment, the general state of repair, appearance, or cleanliness of the Bakery of the Franchise or its fixtures or equipment do not meet our standards, then we shall have the right to notify you, specifying the action you must take to correct the deficiency. If you do not initiate action to correct such deficiencies within ten days after receipt of our notice, or if you initiate corrective action but you do not then continue (in good faith and with due diligence), a bona fide program to complete any required maintenance or refurbishing,

then we shall have the right, in addition to all other remedies available to us at law or under this Franchise Agreement, to enter the Bakery or the Franchise and perform any required maintenance or refurbishing on your behalf, and you agree to reimburse us within 20 days of our demand.

10.2 **Franchise Services and Products.** You agree that: (a) the Franchise will offer for sale all products and services we from time to time specify in the Confidential Operations Manual for Franchises; (b) the Franchise will offer and sell approved products and services only in the manner we have prescribed; (c) you will not offer for sale or sell at the Franchise, the Bakery, or any other location any products and services we have not approved; (d) you will not use the Bakery for any purpose other than the operation of the Franchise; and (e) you will discontinue selling and offering for sale any products and services we at any time decide (in our sole discretion) to disapprove in writing. You agree to maintain an inventory of approved products sufficient in quantity and variety to realize the full potential of the Franchise. We may, from time to time, conduct market research and testing to determine consumer trends and the salability of new products and services. You agree to cooperate by participating in our market research programs, test marketing new products and services in the Franchise, and providing us with timely reports and other relevant information regarding such market research. For any such test marketing, you agree to offer a reasonable quantity of the products or services being tested, and promote and make a reasonable effort to sell them.

We shall not have control over the day-to-day managerial operations of the Cookie Advantage Business, and you shall be free to establish its own prices; however, we shall have the right to set minimum and maximum resale prices, minimum advertised price policies, and unilateral price policies as part of any national or regional promotion or multi-area marketing plan, in accordance with the law. You must honor all terms of National Account Customer agreements, as described in Section 2.7. You must honor the terms of all promotional or discount programs that we offer to the public, and must also provide those services and other items we specify on such terms and at such rates, including free of charge, as we may specify.

10.3 **Approved Products, Distributors, and Suppliers.** We have developed, or may develop, various unique products or services that may be prepared according to our formulations. We have approved, and will continue to periodically approve, specifications for suppliers and distributors (which may include us and/or our affiliates) for products or services required to be purchased by, or offered and sold at, Franchises, that meet our standards and requirements, including, without limitation, standards and requirements relating to product quality, prices, consistency, reliability, and customer relations. You agree that the Franchise will: (1) purchase any required products or services in such quantities as we designate; (2) utilize such formats, formulae, and packaging for products as we prescribe; and (3) purchase all designated products and services only from distributors and other suppliers we have approved.

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

If you would like to purchase any items from any unapproved supplier, then you or the supplier must submit to us a written request for approval of the proposed supplier. We have the right to inspect the proposed supplier’s facilities, and require that product samples from the proposed supplier be delivered, at our option, either directly to us, or to any independent, certified laboratory we may

designate, for testing. We may charge you or the proposed supplier requesting the evaluation to reimburse us for the reasonable cost of the inspection to make the evaluation. We reserve the right to periodically re-inspect the facilities and products of any approved supplier, and revoke our approval if the supplier does not continue to meet our criteria.

You are required to purchase an initial inventory of product packaging from us or our affiliate and the Software from us or our affiliate. We or our affiliates may be an approved supplier of certain other products or services to be purchased by you for use and/or sale by the Franchise. We reserve the right to charge any licensed manufacturer engaged by us or our affiliates a royalty to manufacture products for us or our affiliates, or to receive commissions or rebates from vendors that supply products or services to you. We may also derive income from our sale of products or services to you, and may sell these items at prices exceeding our or their costs to make a profit on the sale.

10.4 Standards, Specifications, and Procedures. You agree to comply with all mandatory standards, specifications, and operating procedures relating to the appearance, function, cleanliness, sanitation, and operation of the Franchise as revised or amended from time to time. Any mandatory standards, specifications, and operating procedures we prescribe in our most current version of the Confidential Operations Manual, or otherwise communicate to you in writing, will constitute provisions of this Franchise Agreement as if fully set forth in this Franchise Agreement. All references to “this Franchise Agreement” include all such mandatory standards, specifications, and operating procedures.

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

You must notify us in writing within five days of: (1) the commencement of any action, suit, or proceeding, and/or of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental unit, that may adversely affect your and/or the Franchise’s operation, financial condition, or reputation; and/or (2) your receipt or knowledge any notice of violation of any law, ordinance, or regulation relating to health or safety. All of your employees and independent contractors must render prompt, efficient, and courteous service to all customers of the Franchise.

10.6 Management and Personnel of the Franchise. Unless we approve your employment of a Designated Manager to operate the Franchise as provided in Section 4.1, you must actively participate in the actual, on-site, day-to-day operation of the Franchise, and devote as much of your time as is reasonably necessary for the efficient operation of the Franchise. If you are other than an individual, then your Managing Owner must comply with this requirement. If we agree you may employ a Designated Manager, then the Designated Manager must fulfill this requirement. Any Managing Owner and Designated Manager shall obtain all licenses and certifications required by law before assuming his or her responsibilities at the Franchise. You will ensure your employees and independent contractors of the Franchise have any licenses as required by law, and hold any licenses, certifications, and/or degrees required by law or by us in the Confidential Operations Manual, as updated from time to time. You alone are responsible for all employment decisions and functions of your Franchise, including, without limitation, those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision, work schedules, work conditions, assignment, and discipline of employees, regardless of whether you have received advice from us on these subjects or not. We will have no liability for any action or settlement related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies,

benefits, recordkeeping, supervision, and discipline of employees, and you agree to indemnify us for any such liabilities we incur. If we prescribe any additional training programs for your employees and/or independent contractors, then you must implement such programs at your own expense. You must require all employees and independent contractors to maintain a neat and clean appearance, and conform to the standards of dress we specify in the Confidential Operations Manual, as updated from time to time. Each of your employees and independent contractors having access to Confidential Information must sign a written agreement, in a form attached in Exhibit H of the Franchise Disclosure Document, to maintain confidential our Confidential Information, proprietary information, and trade secrets as described in Section 9.1, and to abide by the covenants not to compete described in Section 9.3. You must forward to us a copy of each such signed agreement.

You agree to inform each of your employees and independent contractors that you alone are their employer/contractor, and we are not. You agree to explain to your employees and independent contractors the respective roles of a franchisor and franchisee and our relationship with you, and you will request that your employees and contractors sign any acknowledgement or disclosure explaining the differences between us and you, their employer, or contractor. Without limiting the generality of anything contained herein, you are responsible for complying with all applicable employment laws.

All of your employees and independent contractors must render prompt, efficient, and courteous service to all customers of the Franchise. We may contact any customer of any Franchise at any time for any purpose. Also, if a customer or other patron of the Franchise who wishes to lodge a complaint contacts us, we reserve the right to address the person's complaint to preserve goodwill and prevent damage to the brand. Our right to address complaints may include refunding money to the complaining person or providing a gift card, refund, or other value to the customer, in our discretion, in which case you must reimburse us for these amounts.

10.7 Insurance. Before you open the Franchise, and during any Term of this Franchise Agreement, you must maintain in force, under policies of insurance written on an occurrence basis issued by carriers with an A.M. Best rating of "A" or better, approved by us, and in such amounts as we may determine from time to time: (1) comprehensive public, participant legal liability, product, and motor vehicle liability insurance against claims for bodily and personal injury, death, and property damage caused by or in conjunction with the operation of the Franchise or otherwise with your conduct of the Cookie Advantage Business under this Franchise Agreement, under one or more policies of insurance containing minimum liability coverage amounts as set forth in the Confidential Operations Manual; (2) general casualty insurance at all risk to include theft, cash theft, crime, fire and extended coverage, vandalism, and malicious mischief insurance for the replacement value of the Franchise and its contents, and any other assets of the Franchise; (3) worker's compensation and employer's liability insurance as required by law, with limits equal to or over those required by statute; (4) business interruption insurance for a period adequate to re-establish normal business operations, but not less than six months; (5) insurance coverage for employment practices liability, data theft; and (6) any other insurance required by applicable law, rule, regulation, ordinance, or licensing requirements will be sensitive to total liability limits. For example, umbrella liability coverage with limits of not less than \$1,000,000/\$3,000,000 or such other amounts we may establish in the Confidential Operations Manual. We may periodically increase or decrease the amounts of coverage required under these insurance policies, and/or require different or additional kinds of insurance, including excess liability insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances.

Each insurance policy (except for employment liability insurance policies) must name us (and, if we so request, our members, directors, employees, agents, and affiliates) as "Additional Named Insured," not "additional insureds," and must provide us with 30 days' advance written notice of any material

modification, cancellation, or expiration of the policy. Deductibles must be in reasonable amounts, and are subject to review and written approval by us. You must provide us with copies of policies evidencing the existence of such insurance concurrently with execution of this Franchise Agreement and prior to each subsequent renewal date of each insurance policy, along with certificates evidencing such insurance.

Prior to the expiration of the term of each insurance policy, you must furnish us with a copy of a renewal or replacement insurance policy and appropriate certificates of insurance.

Notwithstanding the existence of such insurance, you are responsible for all loss or damage and contractual liability to third persons originating from or for the operation of the Franchise, and for all claims or demands for damages to property or for injury, illness, or death of persons directly or indirectly resulting therefrom; and you agree to defend, indemnify, and hold us harmless of, from, and regarding any such claims, loss, or damage, which indemnity shall survive the termination or expiration and non-renewal of this Franchise Agreement. Besides the foregoing paragraphs of this Section 10.7, you must maintain any and all insurance coverage in such amounts and under such terms and conditions as required by state laws and which may be required with your lease or purchase of the Bakery.

Your obligation to maintain insurance coverage as described in this Franchise Agreement will not be reduced in any manner by any separate insurance we maintain on our own behalf, nor will our maintenance of that insurance relieve you of any obligations under this Section of this Franchise Agreement.

It is your obligation to obtain and maintain signed release of liability waivers for each participant(s), legal guardian(s), and/or guest(s) to comply with the insurance program, and also to avoid the \$25,000 deductible in the event of an accident to such person.

10.8 **Credit Cards and Other Methods of Payment.** You must have arrangements in existence with Visa, Master Card, and any other credit and debit card issuers or sponsors, check verification services, companies that provide services for electronic payment such as near filed communication vendors (for example, “Apple Pay” and “Google Wallet”) and electronic fund transfer systems we designate from time to time (“Credit Card Vendors”), in order that the Franchise may accept customers’ credit and debit cards, checks, and other methods of payment. You agree not to use any Credit Card Vendor for which we have not given you our prior written approval or as to which we have revoked our earlier approval. We may require you to obtain such services through us or our affiliates. We have the right to modify our requirements and designate additional approved or required methods of payment and vendors for processing such payments, and to revoke our approval of any service provider. You agree to comply with the then-current Payment Card Industry Data Security Standards, as those standards may be revised and modified by the PCI Security Standards Council, LLC (see www.pcisecuritystandards.org), or any successor organization or standards that we may reasonably specify. Among other things, you agree to implement the enhancements, security requirements, and other standards that the PCI Security Standards Council, LLC (or its successor) requires of a merchant that accepts payment by credit and/or debit cards.

11. **ADVERTISING.**

11.1 **By You.** You are not required to spend any minimum amount on advertising your Franchise. On each occasion before you use them, samples of all local advertising and promotional materials not prepared or previously approved by us must be submitted to us for approval. If you do not receive our written approval or disapproval within 15 days from the date we receive the materials, the materials will be deemed to have been disapproved. You agree not to use any advertising or promotional materials we have disapproved. If you have used advertising or promotional materials not approved by

us, besides breaching this Franchise Agreement, you will be liable for any and all costs associated with such unapproved advertising or promotional usage, including redaction fees and any legal and other fees we may incur because of your actions. We may also withdraw approving any advertising by written notice to you, and you must then cease using such advertising when practicable. You will be solely responsible and liable to ensure that all advertising, marketing, and promotional materials and activities you prepare comply with applicable, federal, state, and local law and regulations, and the condition of any agreements or orders to which you may be subject. If you violate any provision of this Section 11.1, besides all other remedies available to us, you will pay an unauthorized advertising fee of \$500 per occurrence to us to offset the damage caused by your breach.

11.2 **System Website.** We have established a system website for the Cookie Advantage business (“System Website”) and a local Website (“Local Page”) for your Cookie Advantage Business. We reserve the right to change the requirements relating to your Local Page at any time. Your monthly Technology Fee includes website maintenance fees to the supplier that provides website maintenance services. All such information shall be subject to our approval prior to posting. We may update and modify the Local Page from time to time. You must promptly notify us whenever any information on your listing changes or is not accurate. We have final approval rights of all information on the Local Page. We may implement and periodically modify System Standards relating to the Local Page. We are only required to reference your Cookie Advantage Business on the System Website (including the Local Page) while you are in full compliance with your Franchise Agreement and all System Standards. If you are in default of any obligation under this Franchise Agreement or System Standards, we may temporarily remove references to your Cookie Advantage Business from the System Website until you fully cure the default(s).

11.3 **Internet.** Other than your Local Page, as described above, we retain the sole right to market on the Internet, including all use of websites, domain names, URL’s, linking, advertising, and co-branding arrangements. You may not, without our prior written approval, which may be withheld in our sole discretion, develop, maintain, or authorize any website that mentions or describes you or your Cookie Advantage Business, displays any of the Marks, or uses any domain name, address, locator, link, metatag, or search technique with words or symbols similar to the Marks. We intend any franchisee website be accessed only through our home page. You will provide us content for our Internet marketing. We retain the right to approve any linking or other use of our System Website.

We may allow you to promote your business via alternate online strategies consistent with our online policy as contained in our Confidential Operations Manual. We have the right to review all online content on social media sites, crowdfunding campaigns or blogs, in electronic communications, and on other online sites on which our trademarks are used to protect the reputation and high quality associated with our trademarks. We may require you to remove any questionable usage or content involving our trademarks. We may also require you to cease using our trademarks at all such sites or discontinue all use of such sites.

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

You agree to establish and maintain, at your own expense, a bookkeeping, accounting, and recordkeeping system conforming to the requirements, data processing, and cash register systems and formats which we prescribe from time to time. These systems may include the capability of being polled by our central computer system, which you agree to permit. With respect to the operation and financial condition of the Franchise, you agree to furnish us in the form we prescribe from time to time: (1) if we request it, by the day of each month we may specify, a telephonic or electronic report of the Franchise’s Gross Revenues for the preceding month; (2) by the day of each month we may specify, a written report of the Franchise’s Gross Revenues for the preceding month, and any other data, information, and

supporting records that we may require; (3) by the day of each month that we may specify, a profit and loss statement for the preceding calendar month, and a year-to-date profit and loss statement and balance sheet; (4) within 90 days after the end of your fiscal year, a fiscal year-end balance sheet, and an annual profit and loss statement for that fiscal year, reflecting all year-end adjustments, prepared in accordance with generally accepted accounting principles; and (5) such other reports as we prescribe from time to time. You must specify and sign each report and financial statement required by this Section in the manner we prescribe. You agree to maintain and furnish upon our request complete copies of federal and state income tax returns you file with the Internal Revenue Service and state tax departments, reflecting revenue and income of the Franchise or the corporation, partnership, or limited liability company that holds the Franchise. We reserve the right to require you to have audited or reviewed financial statements prepared by a certified public accountant annually. You agree, at your expense, to cause your public accountant and certified public accountant, if any, to consult with us concerning the records. You agree to keep and preserve full and complete records of Gross Revenues and all other records described hereunder for at least three years in the manner and form satisfactory to us.

13. INSPECTIONS AND AUDITS

13.1 **Company's Right to Inspect the Franchise.** To determine whether you and the Franchise are complying with this Franchise Agreement and the standards, specifications, and operating procedures we prescribe for the operation of the Cookie Advantage Business or our agents have the right, at any reasonable time and without advance notice to you, to: (1) inspect the Cookie Advantage Business and Bakery; (2) observe the operations of the Cookie Advantage Business for such consecutive or intermittent periods as we deem necessary; (3) interview personnel of the Cookie Advantage Business; (4) interview customers of the Cookie Advantage Business; and (5) inspect and copy any books, records, and documents relating to the operation of the Cookie Advantage Business. You agree to fully cooperate in connection with those inspections, observations, and interviews. You agree to present to your customers any evaluation forms we periodically prescribe, and agree to participate in, and/or request your customers participate in, any surveys performed by or on our behalf. Based on the results of any such inspections and audits and your other reports, we may provide to you such guidance and assistance in operating your Franchise as we deem appropriate.

13.2 **Company's Right to Audit.** We have the right during business hours, and without advance notice to you, to inspect and audit, or cause to be inspected and audited, the business records, bookkeeping and accounting records, sales and income tax records and returns, and other records of the Franchise, and the books and records of any corporation, limited liability company, or partnership that holds the Franchise. You agree to fully cooperate with our representatives and any independent accountants we may hire to conduct any inspection or audit. If the inspection or audit is necessary because of your failure to furnish any reports, supporting records, other information, or financial statements as required by this Franchise Agreement, or to furnish such reports, records, information, or financial statements on a timely basis, or if an understatement of Gross Revenues for any period is determined by an audit or inspection to be greater than two percent (2%), then you agree to pay us all monies owed, plus interest on the understated amount equal to the lesser of: (i) one and one-half percent (1.5%) per month; or (ii) the highest commercial rate allowed by law, and you shall reimburse us for the cost of such inspection or audit, including, without limitation, any attorney fees and/or accountants' fees we may incur, and the travel expenses, room and board, and applicable per diem charges for our employees. The above remedies are in addition to all our other remedies and rights under this Franchise Agreement or under applicable law.

14. TRANSFER REQUIREMENTS

14.1 **Organization.** If you are a corporation, partnership, limited liability company, or other entity (or if this Franchise Agreement is assigned to a corporation, partnership, or limited liability company or other entity with our approval), you represent and warrant to us you are and will continue to be throughout the Term of this Franchise Agreement, duly organized and validly existing in good standing under the laws of the state of your incorporation, registration, or organization, that you are qualified to do business and will continue to be qualified to do business throughout the Term of this Franchise Agreement in all states in which you must qualify, that you have the authority to execute, deliver, and carry out all of the terms of this Franchise Agreement, and that during the Term of this Franchise Agreement, the only business you (i.e., the corporate, partnership, limited liability, or other entity) will conduct will be the development, ownership, and operation of the Franchise.

14.2 **Interests in Franchisee; Reference to Attachment 2.** You and each Principal Owner represent, warrant, and agree that all “Interests” in Franchisee are owned in the amount and manner described in Attachment 2. No Interests in Franchisee will, during the term of this Franchise Agreement, be “public” securities (i.e., securities that require, for their issuance, registration with any state or federal authority). (An “Interest” is defined to mean any shares, membership interests, or partnership interests of Franchisee, and any other equitable or legal right in any of Franchisee’s stock, revenue, profits, rights, or assets. When referring to Franchisee’s rights or assets, an “Interest” means this Franchise Agreement, Franchisee’s rights under and interest in this Franchise Agreement, any Franchise, or the revenue, profits, or assets of any Franchise). You and each Principal Owner also represent, warrant, and agree that no owner’s Interest has been given as security for any obligation (i.e., no one has a lien on or security interest in an owner’s Interest), and that no change will be made in the ownership of an Interest other than as expressly permitted by this Franchise Agreement, or as we may otherwise approve in writing. You and each Principal Owner agree to furnish us with such evidence as we may request from time to time to assure us that the Interests of Franchisee and each of your owners remain as permitted by this Franchise Agreement, including a list of all persons or entities owning any Interest, as defined above.

14.3 **Transfer by Company.** This Franchise Agreement is fully transferable by us, and will inure to the benefit of any person or entity to which it is transferred, or to any other legal successor to our interests in this Franchise Agreement. You acknowledge that we maintain a staff to manage and operate the Franchise, and that staff members can change as employees come and go. You acknowledge that you did not sign this Franchise Agreement in reliance on the continued participation by or employment of any of our shareholders, directors, officers, or employees. We may change our ownership or form and/or assign this Franchise Agreement and any other agreement to a third party without restriction. After our assignment of this Franchise Agreement to a third party who expressly assumes the obligations under this Franchise Agreement, we no longer will have any performance or other obligations under this Franchise Agreement.

14.4 **No Transfer without Approval.** You understand and acknowledge that the rights and duties created by this Franchise Agreement are personal to you and that we have entered into this Franchise Agreement in reliance on the individual or collective character, skill, aptitude, attitude, business ability, and financial capacity of you and your owners. Neither this Franchise Agreement nor any part of your interest in it, nor any Interest (as defined in Section 14.2) of Franchisee or a Principal Owner, may be Transferred (see definition below) without our advance written approval. Any Transfer made without our approval will constitute a breach of this Franchise Agreement and convey no rights to or interests in this Franchise Agreement, you, the Franchise, or any other Cookie Advantage franchise.

As used in this Franchise Agreement the term “Transfer” means any voluntary, involuntary, direct, or indirect assignment, sale, gift, exchange, grant of a security interest, or occurrence of any other

event which would or might change the ownership of any Interest, and includes, without limitation: (1) the Transfer of ownership of capital stock, partnership interest, or other ownership interest; (2) merger or consolidation, or issuance of additional securities representing an ownership interest in Franchisee; (3) sale of common stock of Franchisee sold under a private placement or registered public offering; (4) Transfer of an Interest in a divorce proceeding or otherwise by operation of law; or (5) Transfer of an Interest by will, declaration of, or Transfer in trust, or under the laws of intestate succession.

We will not unreasonably withhold consent to a Transfer of an Interest by a Principal Owner to a member of his or her immediate family or to your key employees, so long as all Principal Owners together retain a “controlling Interest” (i.e., an ownership interest of more than 50% of the total interest in the entity), and waive the transfer fee (for a transfer to immediate family), although we reserve the right to impose reasonable conditions on the Transfer as a requirement for our consent. You agree to pay all attorney fees we incur as a result of any such Transfer or proposed Transfer by you.

We expressly consent to transferring this Franchise Agreement by an individual Franchisee to a corporation or other entity in which the individual has a “controlling interest,” without payment of any Transfer fee, provided that Franchisee is in Good Standing and that the conditions of Section 14 (other than payment of a Transfer fee) are satisfied. You agree to pay all attorney fees we incur as a result of any such Transfer or proposed Transfer by you.

Interests owned by persons other than the Principal Owners (“minority owners”) may be transferred without our advance consent unless the Transfer would give that transferee and any person or group of persons affiliated or having a common interest with the transferee more than a collective five percent (5%) Interest in Franchisee (“Specified Minority Transfer”), in which case our advance written approval for the Transfer must be obtained and the obligations of Section 14.5 met; provided, however in any event, any such transferring owners and receiving owners shall still comply with the obligations of subsections 14.5 (b), (f), (i) and (l) below. Notwithstanding the above, you must notify us of your intent to transfer interests owned by persons other than the Principal Owners prior to effectuating it and it will be subject to our Right of First Refusal set forth in Section 14.6 below. Your formal partnership, corporation, or other formation documents, and all stock certificates, partnership units, or other evidence of ownership must recite or bear a legend reflecting the transfer restrictions of this Section 14.4. You agree to pay all attorney fees we incur as a result of any such Transfer or proposed Transfer by you.

14.5 Conditions for Approval of Transfer. If you, your Principal Owners and all other owners fully comply with this Franchise Agreement, we will not unreasonably withhold our approval of a Transfer that meets all the requirements of this Section 14. The person or entity to which you wish to make the Transfer, or its principal owners (“Proposed New Owner”), must be individuals of good moral character and otherwise meet our then-applicable standards for Cookie Advantage franchisees. If you propose to Transfer this Franchise Agreement, the Franchise or its assets, or any Interest, or if any of your Principal Owners proposes to Transfer a controlling Interest in you or make a Transfer that is one of a series of Transfers which taken together would constitute the Transfer of a controlling Interest in you, then all of the following conditions must be met before or at the time of the Transfer:

- (a) The Proposed New Owner must have sufficient business experience, aptitude, and financial resources to operate the Franchise, as determined in our sole discretion;
- (b) You must pay any amounts owed for purchases from us and our affiliates, and any other amounts owed to us or our affiliates which are unpaid;
- (c) The Proposed New Owner’s directors and such other personnel as we may designate must have successfully completed our Initial Training Program, and shall be legally

authorized and have all licenses necessary to perform the services offered by the Franchise. The Proposed New Owner shall be responsible for any wages and compensation owed to, and the travel and living expenses (including all transportation costs, room, board, and meals) incurred by, the attendees who attend the Initial Training Program;

(d) If your lease for the Bakery requires it, the lessor must have consented to the assignment of the lease of the Bakery to the Proposed New Owner;

(e) You must pay us a Transfer fee of \$2,900. You must pay a nonrefundable deposit of \$1,000 when you request an approval of a Transfer. Upon approval, you will pay the remaining amount in certified funds when you execute the transfer documents;

(f) You and your owners and your and their spouses must execute a general release (in a form satisfactory to us) of any and all known and unknown claims you and/or they may have against us, our affiliates, and our and our affiliates' respective officers, directors, employees, and agents;

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

(h) The Proposed New Owner agrees to purchase any new equipment that we require at the time of the Transfer;

(i) The Cookie Advantage Business shall have been maintained in an attractive, neat, and sanitary condition;

(j) You and your owners (or, in the case of owners making any such Transfer, those owners) must execute a non-competition agreement in favor of both the Company and the Proposed New Owner agreeing that for a period of two years from the date of the Transfer or the date on which the Proposed Owners stops acting in violation of this Franchise Agreement, whichever is later, neither of you (or, in the case of owners making any such Transfer, those owners) will have any direct or indirect interest as a disclosed or beneficial owner, investor, partner, director, officer, manager, employee, consultant, representative, or agent, or in any other capacity, in any Competitive Business located within your Territory or within a 50-mile radius of your Territory, any other Franchises then in existence, or any site for which a Franchise has been approved;

(k) You and your owners must enter into an agreement providing all obligations of the Proposed New Owner to make installment payments of the purchase price (and any interest on it) to you or your owners will be subordinate to the obligations of the Proposed New Owner to pay any amounts payable under this Franchise Agreement or any new Franchise Agreement we may require the Proposed New Owner to sign in connection with the Transfer;

(l) The Franchise shall have been determined by us to contain all equipment and fixtures in good working condition, as required at the initial opening of the Franchise. The Proposed New Owner shall have agreed, in writing, to make such reasonable capital expenditures to remodel, equip, modernize, and redecorate the interior and exterior of the Bakery under our then-existing plans and specifications for a Franchise, and shall have agreed to pay our expenses for plan preparation or review, and site inspection;

(m) Upon receiving our consent for the Transfer or sale of the Franchise, the Proposed New Owner shall assume all of your obligations under this Franchise Agreement in a form acceptable to us, or, at our option, shall execute a new Franchise Agreement in the form then being used by us, including but not limited to our then-current form of the Owners Agreement or other guaranty, which may contain materially different terms from those in this Franchise Agreement, except that the Initial Franchise Fee shall be waived. We may, at our option, require you to guarantee the performance and obligations of the Proposed New Owner;

(n) You must have properly offered us the opportunity to exercise our right of first refusal as described below, and we must have then declined to exercise it; and

(o) You must reimburse us upon receipt of our invoice for any broker or other placement fees we incur as a result of the Transfer.

14.6 Right of First Refusal. If you or any of your Principal Owners wishes to Transfer any Interest or an owner wishes to make a Specified Minority Transfer, we will have a right of first refusal to purchase that Interest as set forth in this Section. We will not, however, exercise a right of first refusal regarding a proposed Transfer of less than a controlling interest to a member of a Principal Owner's immediate family or to your key employees. The party proposing the Transfer ("Transferor") must obtain a bona fide, executed written offer (accompanied by a "good faith" earnest money deposit of at least five percent (5%) of the proposed purchase price) from a responsible and fully disclosed purchaser, and must submit an exact copy of the offer to us. You also agree to provide us with any other information we need to evaluate the offer, if we request it within 15 days of receipt of the offer. We have the right, exercisable by delivering written notice to the Transferor within 30 days from the date of last delivery to us of the offer and any other documents we have requested, to purchase the Interest for the price and on the terms and conditions contained in the offer, except that we may substitute cash for any form of payment or consideration proposed in the offer, and will not be obligated to pay any "finder's" or broker's fees that are a part of the proposed Transfer. We also will not be required to pay any amount for any claimed value of intangible benefits, for example, possible tax benefits that may result by structuring and/or closing the proposed Transfer in a particular manner or for any consideration payable other than the bona fide purchase price for the Interest proposed to be transferred. (We may, in our sole and absolute discretion, withhold consent to any proposed Transfer if the offer directly or indirectly requires payment of any consideration other than the bona fide purchase price for the Interest proposed to be transferred.) Our credit will be deemed equal to the credit of any other proposed purchaser, and we will have at least 60 days to prepare for closing. We will be entitled to all customary representations and warranties given purchasers for such sales. If the proposed Transfer includes assets not related to the operation of the Franchise, we may purchase only the assets related to the operation of the Franchise, or may also purchase the other assets. (An equitable purchase price will be allocated to each asset in the Transfer.)

If we do not exercise our right of first refusal, the Transferor may complete the sale to the Proposed New Owner under and on the terms of the offer, as long as we have approved the Transfer as provided in this Section 14. You must immediately notify us of any changes in the terms of an offer. Any material change of an offer before closing will make it a new offer, revoking any previous approval or previously made election to purchase, and giving us a new right of first refusal effective as of the day we receive formal notice of a material change. If the sale to the Proposed New Owner is not completed within 120 days after we have approved the Transfer, our approval of the proposed Transfer will expire. Any later proposal to complete that proposed Transfer will be deemed a new offer, giving us a new right of approval and right of first refusal effective as of the day we receive formal notice of the new (or continuing) proposal. We have the right to assign this right of refusal to a third person, upon written notice to you.

14.7 **Death and Disability.** Upon the death or permanent disability of you or a Principal Owner, the executor, administrator, conservator, or other personal representative of the deceased or disabled person must show due diligence and Transfer the deceased or disabled person's Interest within a reasonable time, not to exceed six months from the date of death or permanent disability, to a person we have approved. Such Transfers, including, without limitation, transfers by a will or inheritance, will be subject to all the terms and conditions for assignments and Transfers contained in this Franchise Agreement. Failure to so dispose of an Interest within the six-month period of time will constitute grounds for termination of this Franchise Agreement. In addition to other remedies under this Franchise Agreement, we have the right, but not the obligation, to assume management of the Cookie Advantage Business in the event you fail to meet the Transfer requirements in this Section, in accordance with Section 15.4.

14.8 **Effect of Consent to Transfer.** Our consent to a proposed Transfer under this Section 14 will not constitute a waiver of any claims we may have against you or any owner, nor will it be deemed a waiver of our right to demand exact compliance with the terms or conditions of this Franchise Agreement by the Proposed New Owner.

15. **TERMINATION OF THE FRANCHISE**

15.1 **Termination by You.** If you and your owners are in full compliance with this Franchise Agreement, and we ~~materially~~ fail to comply with this Franchise Agreement and we do not correct the failure within 30 days after you deliver written notice of the ~~material~~ failure to us or, if we cannot correct the failure within 30 days, give you, within 30 days after your notice, reasonable evidence of our effort to correct the failure within a reasonable time, you may terminate this Franchise Agreement effective an additional 30 days after you deliver to us written notice of termination. Your termination of this Franchise Agreement, other than according to this Section, will be deemed a termination without cause and a breach of this Franchise Agreement.

15.2 **Termination by Us.** We have the right to terminate this Franchise Agreement effective upon delivery of notice of termination to you, if: (1) you do not develop or open the Franchise, or complete training, within the time periods specified in this Franchise Agreement; (2) you abandon, surrender, transfer control of, lose the right to occupy the Bakery, or do not actively operate, the Cookie Advantage Business, or your lease for or purchase of the location of the Bakery is terminated; (3) you or your owners assign or Transfer this Franchise Agreement, any Interest, the Franchise, or assets of the Franchise without complying with Section 14; (4) you are adjudged a bankrupt, become insolvent, make a general assignment for the benefit of creditors, or a levy of writ of attachment or execution or any other lien is placed against you, or any assets of the Franchise are not released or bonded against within 30 days; (5) you use, sell, distribute, or give away any unauthorized products or services; (6) you or any of your owners are convicted of or plead no contest to a felony or are convicted or plead no contest to any crime or offense likely to adversely affect the reputation of the Company, the Franchise, and/or the goodwill associated with the Marks; (7) you or any of your employees violate any health, safety or sanitation law, ordinance, or regulation, or operate the Franchise in a manner that presents a health, safety or sanitation hazard to your customers or the public; and do not rectify the same to our satisfaction upon seventy-two (72) hours of notice from us or any governmental agency; (8) you do not pay when due any monies owed to us or our affiliates, and do not make such payment within ten days after written notice is given to you; (9) you or any of your owners fail to comply with any other provision of this Franchise Agreement or any mandatory standard, specification, or operating procedure within 20 days after written notice of such failure to comply is given to you; (10) you or any of your owners fail on three or more separate occasions within any 12 consecutive month period to submit when due any financial statements, reports or other data, information, or supporting records; pay when due any amounts due under this Franchise Agreement; (11) we determine that any information you have provided to us, or withhold from

us, whether in the franchise application, the sales person disclosure form, the related agreements, in any subsequent written or oral communications or otherwise, is in our reasonable discretion, false, misleading or constitutes a misstatement of a material fact, and we determine, in our sole discretion, that we have been damaged or may be damaged in any way, including, but not limited to, a loss of goodwill damaged in any way, we have the right to immediately terminate all agreements between you and us with written notice to you in our sole discretion; or (12) you are in default of any other agreement with us or our affiliates and you have not cured that default under the terms of the other agreement, if any cure provisions are permitted.

15.3 **Reimbursement of Our Costs.** In the event of a default and/or termination by us for any reason listed in Section 15.2, all of our costs and expenses arising from such default and/or termination, including reasonable legal and accounting fees and reasonable hourly charges of our administrative employees shall be paid to us by you within five days after cure or upon demand by us if such default is not cured.

15.4 **Step-in Rights.** In order to prevent any interruption of your Cookie Advantage Business's operations which would cause harm to the System, thereby depreciating the value thereof, we and our affiliates have the right, but not the obligation, to step-in and designate an individual of our choosing (an "Interim Manager") to temporarily manage the Cookie Advantage Business: (i) if you are in breach of this Franchise Agreement; (ii) if we determine in our sole judgment that the operation of your Cookie Advantage Business is in jeopardy; (iii) if we determine in our sole discretion that operational problems require that we operate your Cookie Advantage Business; (iv) if you abandon or fail to actively operate your Cookie Advantage Business; or (v) upon your, the Managing Owner's, or the Designated Manager's absence, termination, death, or disability (the "Step-in Rights"). You authorize us to operate the Cookie Advantage Business for so long as we deem necessary and practical, and without waiver of any other rights or remedies we may have under this Franchise Agreement. If we appoint an Interim Manager to manage your Cookie Advantage Business, you will pay us ~~a daily~~ your then-current management fee (currently equal to \$250500 for every day the Cookie Advantage Business is managed by the Interim Manager) plus all costs and expenses incurred by us including our reasonable attorney, accountant and other professional fees and costs. The Interim Manager will have no liability to you except to the extent directly caused by its gross negligence or willful misconduct. If, as herein provided, we temporarily operate the Cookie Advantage Business as provided in this Section, you agree to indemnify and hold harmless us and any representative of us who may act hereunder, from any and all acts which we may perform, as regards the interests of you or third parties. Nothing contained herein shall prevent us from exercising any other right which we may have under this Franchise Agreement, including, without limitation, termination of this Franchise Agreement.

15.5 **Enforceability.** If, in the opinion of our legal counsel, any provision of this Franchise Agreement is contrary to law, then you and we agree to negotiate in good faith an amendment that would make this Franchise Agreement conform to the applicable legal requirements. If you and we cannot reach such an agreement, or if fundamental changes to this Franchise Agreement are required to make it conform to the legal requirements, then we reserve the right to terminate this Franchise Agreement upon notice to you, in which case all of post-termination obligations in Section 16 shall apply.

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

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

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

- (a) not directly or indirectly identify any business with which you are associated as a current or former Franchise or Cookie Advantage franchisee;
- (b) not use any Mark or any colorable imitation of any Mark in any manner or for any purpose, or use for any purpose any trademark or other commercial symbol that suggests or indicates an association with us;
- (c) return to us or destroy (whichever we specify) all customer lists, forms, and materials containing any Mark or otherwise relating to a Franchise;
- (d) remove all Marks affixed to uniforms or, at our direction, cease to use those uniforms;
- (e) refund to any customer any monies paid to you for which the customer is entitled to a refund; and
- (f) take any action that may be required to cancel all fictitious or assumed name or equivalent registrations relating to your use of any Mark, including any websites.

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

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

16.5 **Covenant Not to Compete; Non-solicitation.** On termination or expiration of this Franchise Agreement, you and your owners, and your officers, directors, Designated Managers, and certain other independent contractors or employees that have access to the Confidential Information (“Key Individuals”) agree that for a period of two years after the effective date of termination or expiration, or the date on which you stop operating the Franchise or stop acting in violation of this section, whichever is later, neither you nor your owners or Key Individuals will be employed by or have any direct or indirect interest (through a member of your immediate family or that of an owner or other Key Individual, or otherwise) as a disclosed or beneficial owner, investor, manager, or consultant, in any Competitive Business located at or within 50 miles of your Territory, or within 50 miles of any other Franchise then in operation or under construction on the effective date of the termination or expiration of the Franchise Agreement. Franchisee and/or owner and other Key Individual agrees that for two years after the termination or expiration of this Franchise Agreement, it will not directly or indirectly: (a) induce, canvas, solicit, or request or advise any customers of Franchisor, the Franchise, or any Cookie Advantage Business to become customers of any person, firm, or business that competes with any business of ours, the Franchise, or any Cookie Advantage Business; (b) induce, request, or advise any customer of ours, the Franchise, or any Cookie Advantage Business to terminate or decrease such customer’s relationship with us, the Franchise, or any Cookie Advantage Business; or (c) disclose to any

other person, firm, partnership, corporation, or other entity the names, addresses, or telephone numbers of any of the customers of ours, the Franchise, or any Cookie Advantage Business, except as required by law.

16.6 **Company's Option to Purchase the Franchise.** Upon the termination or expiration of the Franchise, we will have the option, but not the obligation, exercisable for 30 days upon written notice of you, to purchase at fair market value all of the assets of the Franchise, including all approved equipment, fixtures, furniture, and signs, and all supplies, materials, and other items imprinted with any Mark, and to take an assignment of the lease for the Bakery and any other lease or concession agreement necessary for the operation of the Franchise. If you and we cannot agree on the fair market value of the assets of the Franchise within a reasonable time, such value shall be determined by an average of the appraisals of two independent appraisers, one of whom will be selected by you and one of whom will be selected by us. If the appraisals differ by over ten percent (10%), then you and we will mutually agree on a value, or if you and we cannot agree, our appraisers will select a third appraiser whose determination of market value will be final. We shall not assume any liabilities, debts, or obligations of the Franchise in connection with any such transfer, and you will indemnify us from any and all claims made against us arising out of any such transfer of the assets of the Franchise. All parties will comply with all laws in connection with any such transfer, and you agree to cooperate in complying with all such requirements.

The closing shall occur within 30 days after we exercise our option to purchase the assets, or such later date as may be necessary to comply with applicable bulk sales or similar laws. At the closing, you and we both agree to execute and deliver all documents necessary to vest title in the purchased assets and/or real property in us free and clear of all liens and encumbrances, except those assumed by us and/or to effectuate the lease of the Bakery. You also agree to provide us with all information necessary to close the transaction. We reserve the right to assign our option to purchase the Franchise or designate a substitute purchaser for the Franchise. By signing this Franchise Agreement, you irrevocably appoint us as your lawful attorney-in-fact regarding the matters contemplated by this Section 16.6, with full power and authority to execute and deliver in your name all documents required to be provided by you under this Section if you do not provide them in a timely and proper manner. You also agree to ratify and confirm all of our acts as your lawful attorney-in-fact, and indemnify and hold us harmless from all claims, liabilities, losses, or damages suffered by us in so doing.

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

16.8 **Identifiers.** You acknowledge that all telephone numbers, facsimile numbers, social media websites, Internet addresses, and email addresses (collectively "Identifiers") used in the operation of your Cookie Advantage Business constitute our assets, and upon termination or expiration of this Franchise Agreement, you will take such action within five days to cancel or assign to us or our designee as determined by us, all of your right, title, and interest in and to such Identifiers, and will notify the telephone company and all listing agencies of the termination or expiration of your right to use any Identifiers, and any regular, classified, or other telephone directory listing associated with the Identifiers and to authorize a transfer of the same to, or at, our direction. You agree to take all action required to cancel all assumed name or equivalent registrations related to your use of the Marks. You acknowledge that we have the sole rights to, and interest in, all Identifiers used by you to promote your Cookie Advantage Business and/or associated with the Marks. You hereby irrevocably appoint us, with full power of substitution, as your true and lawful attorney-in-fact, which appointment is coupled with an interest, to execute such directions and authorizations as may be necessary or prudent to accomplish the foregoing. You further appoint us to direct the telephone company, postal service, registrar, Internet

Service Provider, listing agency, website operator, or any other third party, to transfer such Identifiers to us or our designee. The telephone company, postal service, registrar, Internet Service Provider, listing agency, website operator, or any other third party may accept such direction by us pursuant to this Franchise Agreement as conclusive evidence of our rights to the Identifiers and our authority to direct their transfer.

16.9. **Possession.** In the event of any ~~material~~ breach of this Franchise Agreement, we shall have an immediate right to enter and take possession of the Bakery in order to maintain continuous operation of the Cookie Advantage Business, to provide for orderly change of management and disposition of personal property, and to otherwise protect Franchisor's interest.

16.10 **Professional Fees and Expenses.** Without limiting the generality of anything else contained herein, you will be required to reimburse us for any legal or accounting fees that we incur as a result of any breach or termination of your Franchise Agreement. You must reimburse us if we are required to incur any expenses in enforcing our rights against you under the Franchise Agreement.

17. ENFORCEMENT

17.1 **Invalid Provisions; Substitution of Valid Provisions.** To the extent that the non-competition provisions of Sections 9.3, 14.5, or 16.5 are void or unenforceable under Oklahoma law, but would be enforceable as written or as modified under the law of the state in which the Cookie Advantage Business is located ("Local Law"), the parties agree that Local Law shall govern any dispute concerning or involving the construction, interpretation, validity, or enforcement of the particular provision, but only with respect to that provision.

We may unilaterally reduce the scope of any of the obligations in Sections 9.3, 14.5, or 16.5, effective upon giving notice thereof to you. You expressly authorize us to reduce the scope of any covenant in order to conform it to then-currently enforceable Oklahoma or Local Law. You expressly agree, on behalf of Franchisee and each Key Individual, to be bound by any such modified covenant as if originally stated in this Franchise Agreement.

If any lawful requirement or court order of any jurisdiction: (1) requires a greater advance notice of the termination or non-renewal of this Franchise Agreement than is required under this Franchise Agreement, or taking some other action not required by this Franchise Agreement; or (2) makes any provision of this Franchise Agreement or any standard, specification, or operating procedure we prescribed invalid or unenforceable, then the advance notice and/or other action required or revision of the standard, specification, or operating procedure will be substituted for the comparable provisions of this Franchise Agreement to make the modified provisions enforceable to the greatest extent possible. You agree to be bound by the modification to the greatest extent lawfully permitted.

17.2 **Unilateral Waiver of Obligations.** Either you or we may, by written notice, unilaterally waive or reduce any obligation or restriction of the other under this Franchise Agreement. The waiver or reduction may be revoked for any reason on ten days' written notice.

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

17.4 **Lien.** To secure your performance under this Franchise Agreement and indebtedness for all obligations owed and sums due us or our affiliates, we shall have a lien upon, and you grant us a security interest in, the following collateral and any and all attachments, accessories, additions,

accessions, and substitutions to or for it, and the cash and non-cash proceeds derived from insurance or the disposition of such collateral: (a) all inventory, equipment, furniture, furnishings, fixtures, and supplies now leased, owned, or after-acquired by you and the Cookie Advantage Business, including, but not limited to, all inventory, equipment, furniture, furnishings, fixtures, and supplies transferred to or acquired by you for this Franchise Agreement; (b) all accounts of you and/or the Cookie Advantage Business now existing or subsequently arising, with all interest in you and/or the Cookie Advantage Business, now existing or subsequently arising, with all chattel paper, documents, and instruments relating to such accounts; (c) all contract rights of you and/or the Franchise, now existing or subsequently arising; (d) all general intangibles of you and/or the Franchise, now owned or existing, or after-acquired or subsequently arising; (e) all of your and/or the Cookie Advantage Business' interests in the real estate where the Bakery is located; and (f) all improvements to that real estate. You authorize us to file and record financing statements, financing statement amendments, continuation financing statements, fixture filings, and other documents we deem necessary to evidence, perfect, and continue the priority of security interests in these assets. You also agree to execute and deliver any such documents to us upon our request.

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

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

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

17.8 **Specific Performance; Injunctive Relief.** Provided we give you the appropriate notice, we will be entitled, without being required to post a bond, to the entry of temporary and permanent injunctions and orders of specific performance to: (1) enforce the provisions of this Franchise Agreement relating to your use of the Marks and non-disclosure, non-solicitation, and non-competition obligations under this Franchise Agreement; (2) prohibit any act or omission by you or your employees that constitutes a violation of any applicable law, ordinance, or regulation; constitutes a danger to the public; or may impair the goodwill associated with the Marks or Franchises; or (3) prevent any other irreparable harm to our interests. If we obtain an injunction or order of specific performance, then you shall pay us an amount equal to the total of our costs of obtaining it, including, without limitation, reasonable attorney and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, travel and living expenses, and any damages we incur as a result of the breach of any such provision. You further agree to waive any claims for damage in the event there is a later determination that an injunction or specific performance order was issued improperly. We and you agree that venue for any such proceeding shall be the state and federal courts located closest to our principal place of business (currently, Bixby, Oklahoma).

17.9 Dispute Resolution.

(a) **Mediation.** Except as otherwise provided in this Franchise Agreement, any claim or controversy arising out of or related to this Franchise Agreement, or the making, performance, breach, interpretation, or termination thereof, shall first be subject to non-binding mediation in the city closest to our principal place of business (currently Bixby, Oklahoma). Mediation shall not defer or suspend our exercise of any termination right under Section 15. Non-binding mediation hereunder shall be concluded within 60 days of the issuance of the request, or such longer period as may be agreed upon by the parties in writing (“Mediation Termination Date”). All aspects of the mediation process shall be treated as confidential, shall not be disclosed to others, and shall not be offered or admissible in any other proceeding or legal action whatsoever. The parties shall bear their own costs of mediation, and shall share equally in the cost of the mediator or mediation service. No arbitration or other proceeding may be commenced on any claim prior to the Mediation Termination Date, as defined above, whether or not the mediation has been commenced. Mediation under this Section is not intended to alter or suspend the rights or obligations of the parties under this Franchise Agreement (including termination under Section 15) or to determine the validity or effect of any provision of this Franchise Agreement, but is intended to furnish the parties an opportunity to resolve disputes amicably, expeditiously, and in a cost-effective manner on mutually acceptable terms. The non-binding mediation provided for hereunder shall be commenced by the party requesting mediation giving written notice of the request for mediation to the party with whom mediation is sought. The request shall specify with reasonable particularity the matters for which non-binding mediation is sought. Non-binding mediation hereunder shall be conducted by a mediator or mediation program designated by us in writing. We shall make the designation within a reasonable time after issuance of the request.

(b) **Arbitration.** Except as provided in Section 17.9(c), all controversies, disputes, or claims arising between us, our affiliates, and our and their respective owners, officers, directors, agents, and employees (in their representative capacity) and you (and your owners and guarantors) arising out of or related to: (1) this Franchise Agreement, any provision thereof, or any related agreement (except for any lease or sublease with us or any of our affiliates); (2) the relationship of the parties hereto; (3) the validity of this Franchise Agreement or any related agreement, or any provision thereof; or (4) any standard, specification, or operating procedure relating to the establishment or operation of the Franchise, not settled by informal negotiations or non-binding mediation as set forth in Section 17.9(a) above, shall be submitted for arbitration to be administered by the office of the American Arbitration Association, or other arbitration service acceptable to us in our sole discretion. Such arbitration proceedings shall be conducted in the city closest to our principal place of business (currently, Bixby, Oklahoma), and, except as otherwise provided in this Franchise Agreement, shall be conducted in accordance with then-current commercial arbitration rules of the American Arbitration Association. In any arbitration proceeding, each party will submit or file any claim that would constitute a compulsory counterclaim as defined by the Federal Rules of Civil Procedure within the same proceeding as the claim it relates to. Any claim that is not submitted or filed as required is forever barred. The parties shall be entitled to conduct discovery of the types provided by the Federal Rules of Civil Procedure to the extent deemed reasonably necessary by the arbitrator(s) consistent with the expedited nature of arbitration, and the arbitrator(s) may impose the sanctions of those rules for noncompliance. The fees of, and authorized costs incurred by, the arbitrator will be shared equally by the parties, and each party will bear all of its own costs of arbitration; provided, however, that the arbitration decision will provide that the substantially prevailing party will recover from the other party its actual costs and expenses incurred in connection with the dispute. The arbitrator shall have the right to award or include in his award any relief that he or she deems

proper in the circumstances, including, without limitation, money damages (with interest on unpaid amounts from date due), specific performance, injunctive relief, attorney fees, and costs. The award and decision of the arbitrator shall be conclusive and binding on all parties to this agreement, and judgment on the award may be entered in any court of competent jurisdiction, and each such party waives any right to contest the validity or enforceability of such award. The provisions of this Section are intended to benefit and limit third-party non-signatories, and will continue in full force and effect subsequent to, and notwithstanding expiration or termination of, this Franchise Agreement. You and we agree that any such arbitration shall be conducted on an individual, not a class-wide basis, and shall not be consolidated with any other arbitration proceeding. The parties acknowledge that nothing herein shall delay or otherwise limit our rights and remedies under Section 15 of this Franchise Agreement. A notice or request for arbitration or mediation will not operate to stay, postpone, or rescind the effectiveness of any demand for performance or notice of termination under this Franchise Agreement. Except as required by applicable law, including the required disclosure in our franchise disclosure document and by any court order or lawful subpoena, the entire arbitration proceedings and related documents are confidential.

(c) **Injunctive Relief.** Notwithstanding the foregoing, we shall not be required to first attempt to mediate or arbitrate a controversy, dispute or claim against you as set forth in this Section 17.9(c), if such controversy, dispute or claim concerns an allegation by us that you have violated (or threaten to violate, or pose an imminent risk of violating): (a) any of our federally protected rights in the Marks, the System, copyrighted materials, or in any of our intellectual property; (b) any claims pertaining to the use or protection of our specialized training, trade secrets, or other Confidential Information; (c) any claims pertaining to or arising out of any warranty issued; (d) any of the restrictive covenants contained in this Franchise Agreement; (e) our right to indemnification; or (f) any of the post-termination obligations under this Franchise Agreement. You acknowledge that breach of any of these restrictions and obligations would result in irreparable injury to us, and as the damages arising out of any such breach would be difficult to ascertain in addition to all other remedies provided by law or in equity, we shall be entitled to seek injunctive relief without the posting of bond (whether a restraining order, a preliminary injunction, or a permanent injunction) against any such breach, whether actual or contemplated.

17.10 Limitations of Actions; Waiver of Punitive Damages; and Waiver of Jury Trial. Except with respect to your obligations to indemnify us, and claims that we may bring under Sections 7, 9, 15, or 16 of this Franchise Agreement, and except for claims arising from your non-payment or underpayment of any amounts owed to us or our affiliates: (1) any and all claims arising out of or related to this Franchise Agreement or the relationship between you and us shall be barred, by express agreement of the parties, unless an action or proceeding is commenced within ~~two years~~one year from the date the cause of action accrues; and (2) you and we hereby waive to the fullest extent permitted by law, any right to or claim for any punitive or exemplary damages against the other, and agree that, except to the extent provided to the contrary in this Franchise Agreement, in the event of a dispute between you and us, each party will be limited to the recovery of any actual damages sustained by it. You and we irrevocably waive trial by jury in any action, proceeding, or counterclaim, whether at law or in equity, brought by either you or us.

17.11 Governing Law. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051 et seq.), and except that all issues relating to arbitrability or the enforcement or interpretation of the agreement to arbitrate set forth in Section 17.9, which will be governed by the United States Arbitration Act (9 U.S.C. § 1 et seq.), and the federal common law relating to arbitration, this Franchise Agreement and the Franchise will be governed by the laws of the State of

Oklahoma (without reference to its choice of law and conflict of law rules), except that the provisions of any Oklahoma law relating to the offer and sale of business opportunities or franchises or governing the relationship of a franchisor and its franchisees will not apply unless their jurisdictional requirements are met independently without reference to this Section.

17.12 **Venue and Consent to Jurisdiction.** All disputes and claims must be mediated, arbitrated and, if applicable, litigated in the principal city closest to our principal place of business within the United States (currently Bixby, Oklahoma); provided that we have the option to bring suit against you in any state or federal court within the jurisdiction where your Cookie Advantage Business is or was located or where any of your owners lives for those claims brought in accordance with Section 17.9(c). The parties consent to the exercise of personal jurisdiction over them by these courts, and to the propriety of venue in these courts for the purpose of this Franchise Agreement, and you waive any objection you may have to either the jurisdiction or venue of such court.

17.13 **Binding Effect.** This Franchise Agreement may be executed in counterparts, and each copy so executed and delivered will be deemed an original. This Franchise Agreement is binding on and will inure to the benefit of our successors and assigns and, subject to the Transfer provisions contained in this Franchise Agreement, will be binding on and inure to the benefit of your successors and assigns, and if you are an individual, on and to your heirs, executors, and administrators.

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

17.15 **Construction.** All headings of the various Sections of this Franchise Agreement are for convenience only, and do not affect the meaning or construction of any provision. All references in this Franchise Agreement to masculine, neuter, or singular usage will be construed to include the masculine, feminine, neuter, or plural, wherever applicable. Except where this Franchise Agreement expressly obligates us to reasonably approve or not unreasonably withhold our approval of any of your actions or requests, we have the absolute right to refuse any request by you or to withhold our approval of any action or omission by you. The term “affiliate” as used in this Franchise Agreement is applicable to any company directly or indirectly owned or controlled by you or your Principal Owners, or any company directly or indirectly owned or controlled by us that sells products or otherwise transacts business with you. No provision herein expressly identifying any term or breach of this Franchise Agreement as material shall be construed to imply that any other term or breach which is not so identified is not material.

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

17.17 **Force Majeure.** No party shall be liable for any loss or damage that arises directly or indirectly through or as a result of any delay in the fulfillment of or failure to fulfill its obligations in whole or in part (other than the payment of money as may be owed by a party) under this Franchise Agreement where the delay or failure is due to Force Majeure. In the event of Force Majeure, the parties shall be relieved of their respective obligations only to the extent the parties are respectively necessarily prevented or delayed in such performance during the period of such Force Majeure. As used in this Franchise Agreement, the term “Force Majeure” shall mean any act of God, strike, lock-out or other industrial disturbance, war (declared or undeclared), riot, epidemic, fire or other catastrophe, act of any government and any other similar cause which is beyond the party’s control and cannot be overcome by use of normal commercial measures. The party whose performance is affected by an event of Force

Majeure shall give prompt notice of such Force Majeure event to the other party, which in no case shall be more than five (5) days after the event, setting forth the nature thereof and an estimate as to its duration, and the affected party shall furnish the other party with periodic reports regarding the progress of the Force Majeure event. Each party must use its best efforts to mitigate the effect of the event of Force Majeure upon its performance of this Franchise Agreement and to fulfill its obligations under the Franchise Agreement. Upon completion of the event of Force Majeure, the party affected must as soon as reasonably practicable recommence the performance of its obligations under this Franchise Agreement. An event of Force Majeure does not relieve a party from liability for an obligation which arose before the occurrence of the event, nor does that event affect any obligation to pay money owed under the Franchise Agreement or to indemnify us, whether such obligation arose before or after the Force Majeure event. An event of Force Majeure shall not affect your obligations to comply with any restrictive covenants, use of Confidential Information or use of the Marks under this Franchise Agreement, during or after the Force Majeure event.

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

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

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

17.21 **Fees and Costs.** If we or you must enforce this Franchise Agreement in an arbitration or judicial proceeding, the substantially prevailing party will be entitled to reimbursement of its costs and expenses, including reasonable fees for attorneys, accountants and expert witnesses, costs of investigations and proof of facts, court costs, travel and living expenses, and other dispute-related expenses. In addition, if you breach any term of this Franchise Agreement or any other agreement with us or an affiliate of ours, you agree to reimburse us for all reasonable attorneys’ fees and other expenses we incur relating to such breach, regardless of whether the breach is cured prior to the commencement of any dispute resolution proceedings. If there is a mixed decision involving an award of money or money equivalent and equitable relief, the arbitrator or court (if applicable) will award the above fees to the party that it deems has substantially prevailed over the other party using reasonable business and arbitrator’s judgment. We reserve the right, but have no obligation, to advance your share of the costs of any arbitration proceeding for such arbitration proceeding to take place, and by doing so will not be deemed to have waived or relinquished our right to seek recovery of those costs in accordance with this Section 17.9. If either party commences any legal action or proceeding in any court in contravention of the terms of this Section, that party shall pay all costs and expense that the other party incurs in the action or proceeding, including, without limitation, costs and attorneys’ fees as described in this Section 17.9.

17.22 **Survival.** We and you (and your owners) agree that each of the provisions of this Section 17 shall apply during the term of this Franchise Agreement and following the termination, expiration, or non-renewal of this Franchise Agreement.

18. **NOTICES AND PAYMENTS**

All written notices, reports, and payments permitted or required under this Franchise Agreement or by the Confidential Operations Manual will be deemed delivered: (a) at the time delivered by hand;

(b) one business day after transmission by ~~teletype, facsimile, email~~ or other electronic system; (c) one business day after being placed in the hands of a reputable commercial courier service for next business day delivery; or (d) three business days after placed in the U.S. mail by ~~Registered or Certified Priority Mail, Return Receipt Requested, postage prepaid~~ delivery confirmation; and addressed to the party to be notified or paid at its most current principal business address of which the notifying party has been advised, or to any other place designated by either party. Any required notice, payment, or report which we do not actually receive during regular business hours on the date due (or postmarked by postal authorities at least two days before it is due) will be deemed delinquent.

19. INDEPENDENT PROFESSIONAL JUDGMENT OF YOU AND YOUR DESIGNATED MANAGER

You and we acknowledge and agree that the standards, specifications, and operating procedures related to the services offered by the Franchise are not intended to limit or replace your, your Managing Owner's or your Designated Manager's (if any) professional judgment in supervising and performing the services offered by your Franchise. The standards, specifications, and operating procedures represent only the minimum standards, and you, your Managing Owner and your Designated Manager (if any) are solely responsible for ensuring that the Franchise performs services in accordance with all applicable requirements and standards of care. Nothing in this Franchise Agreement shall obligate you, your Managing Owner or your Designated Manager (if any) to perform any act that is contrary to your, your Managing Owner's or your Designated Manager's (if any) professional judgment; provided, however, that you must notify us immediately upon your determination that any standards, specifications, or operating procedure is contrary to your, your Managing Owner's or your Designated Manager's (if any) professional judgment.

20. COVENANT OF GOOD FAITH

If applicable law implies a covenant of good faith and fair dealing in this Franchise Agreement, the parties agree that the covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Franchise Agreement. Additionally, if applicable law shall imply the covenant, you agree that: (i) this Franchise Agreement (and the relationship of the parties that is inherent in this Franchise Agreement) grants us the discretion to make decisions, take actions, and/or refrain from taking actions not inconsistent with our explicit rights and obligations under this Franchise Agreement that may affect favorably or adversely your interests; (ii) we will use our judgment in exercising the discretion based on our assessment of our own interests and balancing those interests against the interests of our franchisees generally (including ourselves and our affiliates, if applicable), and specifically without considering your individual interests or the individual interests of any other particular franchisee; (iii) we will have no liability to you for the exercise of our discretion in this manner, so long as the discretion is not exercised in bad faith; and (iv) in the absence of bad faith, no trier of fact in any arbitration or litigation shall substitute its judgment for our judgment so exercised.

21. ENTIRE AGREEMENT

This Franchise Agreement, together with the introduction and exhibits to it, constitutes the entire agreement between you and us, and there are no other oral or written understandings or agreements between us concerning the subject matter of this Franchise Agreement. However, nothing in this Franchise Agreement or any related agreement is intended to disclaim our representations made in the Franchise Disclosure Document. This Franchise Agreement may be modified only by written agreement signed by both you and us, except that we may modify the Confidential Operations Manual at any time as provided herein and as provided in Section 17.1 with respect to reducing the scope of the non-competition and non-solicitation provisions.

(Signatures on following page)

The parties to this Franchise Agreement now execute and deliver this Franchise Agreement in multiple counterparts as of the Effective Date.

COOKIE ADVANTAGE, INC.

BySign: _____

Title: _____

FRANCHISEE: _____

BySign: _____

Title: _____

State of _____

County of _____

The foregoing instrument was sworn to and subscribed before me this ____ day of _____, 20__, by _____.
name of signer

{Notary Seal}

Signature of Notary Public

Printed Name of Notary Public

My commission expires

ATTACHMENT 1 TO THE COOKIE ADVANTAGE FRANCHISE AGREEMENT

FRANCHISE DATA SHEET

1. The “Effective Date” set forth in the introductory Paragraph of the Franchise Agreement is: _____, 20__.

2. The Franchisee set forth in the introductory Paragraph of the Franchise Agreement is: _____

3. If a particular site for the Bakery has been selected and approved at the time of the signing this Franchise Agreement, it shall be entered on Attachment 1-1 as the Approved Location, and the Approved Location shall have the protected Territory listed in Attachment 1-1. If a particular site has not been selected and approved at the time of the signing this Franchise Agreement, Section 5 of this Attachment will describe the location in general terms below in the “General Description.” The General Description does not confer any territory rights to you, and is only used for a reference. We may sell other franchised locations in the area in the General Description.

4. After we have approved a location for your Bakery, we shall complete the Approved Location and the protected Territory in Attachment 1-1. As the protected Territory is dependent on the location of the Bakery, Franchisor will present Franchisee with the protected Territory upon the identification of the site for the Bakery. If Franchisee does not wish to accept the protected Territory, Franchisee may choose another site location, and Franchisor will present Franchisee with another protected Territory based on the site selected.

5. General Description of Area for Approved Location:
(if the Approved Location is not specified above as of the signing of the Franchise Agreement)

FRANCHISOR:

COOKIE ADVANTAGE, INC.

FRANCHISEE:

Entity name (if any):

By Sign: _____

By Sign: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

ATTACHMENT 1-1 TO THE COOKIE ADVANTAGE FRANCHISE AGREEMENT

Franchisee has received approval for site location for the Bakery that satisfies the demographics and location requirements minimally necessary for a Bakery and that meets Franchisor’s minimum current standards and specifications for a Bakery. Franchisor and Franchisee have mutually agreed upon a protected Territory based on the site for the Bakery indicated below. Franchisee acknowledges the protected Territory is in conformance with the territory guidelines stated in Item 12 of the Franchise Disclosure Document.

Approved Location for Unit:

The Approved Location for your Bakery as provided in Section 2.3 of the Franchise Agreement is:

Protected Territory:

The protected Territory as provided in Section 2.3 of the Franchise Agreement is:

FRANCHISOR:

COOKIE ADVANTAGE, INC.

FRANCHISEE:

Entity name (if any):

BySign: _____

BySign: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

ATTACHMENT 2 TO THE COOKIE ADVANTAGE FRANCHISE AGREEMENT

**This Attachment 2 is current and complete
as of the Effective Date**

Franchisee: _____

**Form of Ownership
(Check One)**

Individual **Partnership** **Corporation** **Limited Liability Company**

If a **Partnership**, provide name and address of each partner showing percentage owned, whether active in management, and indicate the state in which the partnership was formed.

If a **Corporation**, give the state and date of incorporation, the names and addresses of each officer and director, and list the names and addresses of every shareholder showing what percentage of stock is owned by each.

If a **Limited Liability Company**, give the state and date of formation, the name and address of the manager(s), and list the names and addresses of every member and the percentage of membership interest held by each member.

Date and State of Formation/Incorporation: _____

Management (managers, officers, board of directors, etc.):

Name	Title

Members, Stockholders, Partners*:

Name	Address	Percentage Owned

*If any members, stockholders, or partners are entities, please list the owners of such entities up through the individuals.

Identification of Designated Manager. Your Designated Manager, if applicable, ~~as of the Effective Date is~~—_____. You may not change the Designated Manager without giving us prior notice and confirming that the Designated Manager has successfully completed the initial training program.

(Signatures on following page)

FRANCHISEE:

Entity name (if any):

By Sign: _____

Printed Name: _____

Title: _____

Date: _____

State of _____

County of _____

The foregoing instrument was sworn to and subscribed before me this _____ day of _____,
20__, by _____.
name of signer

{Notary Seal}

Signature of Notary Public

Printed Name of Notary Public

My commission expires

ATTACHMENT 3 TO THE COOKIE ADVANTAGE FRANCHISE AGREEMENT

OWNERS AGREEMENT

As a condition to the execution by Cookie Advantage, Inc. (“we” or “us”), of a Franchise Agreement with _____ (“Franchisee”), each of the undersigned individuals (“Owners”), who constitute all of the owners of a direct or indirect beneficial interest in Franchisee, as well as their respective spouses, covenant and agree to be bound by this Owners Agreement (“Owners Agreement”).

1. Acknowledgments.

1.1 Franchise Agreement. Franchisee entered into a franchise agreement with us effective as of _____, 20__ (“Franchise Agreement”). Capitalized words not defined in this Owners Agreement will have the same meanings ascribed to them in the Franchise Agreement.

1.2 Role of Owners. Owners are the beneficial owners or spouses of the beneficial owners of all of the direct and indirect equity interest, membership interest, or other equity controlling interest in Franchisee and acknowledge there are benefits received and to be received by each Owner, jointly and severally, and for themselves, their heirs, legal representatives and assigns. Franchisee’s obligations under the Franchise Agreement, including the confidentiality and non-compete obligations, would be of little value to us if Franchisee’s direct and indirect owners were not bound by the same requirements. Under the provisions of the Franchise Agreement, Owners are required to enter into this Owners Agreement as a condition to our entering into the Franchise Agreement with Franchisee. Owners will be jointly and severally liable for any breach of this Owners Agreement.

2. Non-Disclosure and Protection of Confidential Information.

2.1 Confidentiality. Under the Franchise Agreement, we will provide Franchisee with specialized training, proprietary trade secrets, and other Confidential Information relating to the establishment and operation of a franchised business. The provisions of the Franchise Agreement governing Franchisee’s non-disclosure obligations relating to our Confidential Information are hereby incorporated into this Owners Agreement by reference, and Owners agree to comply with each obligation as though fully set forth in this Owners Agreement as a direct and primary obligation of Owners. Further, we may seek the same remedies against Owners under this Owners Agreement as we may seek against Franchisee under the Franchise Agreement. Any and all information, knowledge, know-how, techniques, and other data, which we designate as confidential, will also be deemed Confidential Information for purposes of this Owners Agreement.

2.2 Immediate Family Members. Owners acknowledge that they could circumvent the purpose of Section 2.1 by disclosing Confidential Information to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). Owners also acknowledge that it would be difficult for us to prove whether Owners disclosed the Confidential Information to family members. Therefore, each Owner agrees that he or she will be presumed to have violated the terms of Section 2.1 if any member of his or her immediate family uses or discloses the Confidential Information or engages in any activities that would constitute a violation of the covenants listed in Section 3, below, if performed by Owners. However, Owners may rebut this presumption by furnishing evidence conclusively showing that Owners did not disclose the Confidential Information to the family member.

3. Covenant Not to Compete and To Not Solicit.

3.1 Non-Competition and Non-Solicitation During and After the Term of the Franchise Agreement. Owners acknowledge that as a participant in our system, they will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques which we have developed. The provisions of the Franchise Agreement governing Franchisee's restrictions on competition and solicitation both during the term of the Franchise Agreement and following the expiration or termination of the Franchise Agreement are hereby incorporated into this Owners Agreement by reference, and Owners agree to comply with and perform each such covenant as though fully set forth in this Owners Agreement as a direct and primary obligation of Owners. Further, we may seek the same remedies against Owners under this Owners Agreement as we may seek against Franchisee under the Franchise Agreement.

3.2 Construction of Covenants. The parties agree that each such covenant related to non-competition and non-solicitation will be construed as independent of any other covenant or provision of this Owners Agreement. If all or any portion of a covenant referenced in this Section 3 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a final decision to which we are a party, Owners agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 3.

3.3 Our Right to Reduce Scope of Covenants. Additionally, we have the right, in our sole discretion, to unilaterally reduce the scope of all or part of any covenant referenced in this Section 3 of this Owners Agreement, without Owners' consent (before or after any dispute arises), effective when we give Owners written notice of this reduction. Owners agree to comply with any covenant as so modified.

4. Continuing Guarantee.

4.1 Payment. Owners will pay us (or cause us to be paid) all monies payable by Franchisee under the Franchise Agreement whether now or in the future on the dates and in the manner required for payment in the relevant agreement.

4.2 Performance. Owners unconditionally guarantee full performance and discharge by Franchisee of all of Franchisee's obligations under the Franchise Agreement whether now or in the future on the date and times and in the manner required in the relevant agreement.

4.3 Indemnification. Owners will indemnify, defend and hold harmless us, all of our affiliates, and the respective shareholders, directors, partners, employees, and agents of such entities, against and from all losses, damages, costs, and expenses which we or they may sustain, incur, or become liable for, whether now or in the future, by reason of: (a) Franchisee's failure to pay the monies payable (to us or any of our affiliates) pursuant to the Franchise Agreement, or to do and perform any other act, matter, or thing required by the Franchise Agreement; or (b) any action by us to obtain performance by Franchisee of any act, matter, or thing required by the Franchise Agreement.

4.4 No Exhaustion of Remedies. Owners acknowledge and agree that we will not be obligated to proceed against Franchisee or exhaust any security from Franchisee or pursue or exhaust any remedy, including any legal or equitable relief against Franchisee, before proceeding to enforce the obligations of the Owners as guarantors under this Owners Agreement, and the enforcement of such

obligations can take place before, after, or contemporaneously with, enforcement of any of Franchisee's debts or obligations under the Franchise Agreement.

4.5 Waiver of Notice. Without affecting Owners' obligations under this Section 4, we can extend, modify, or release any of Franchisee's indebtedness or obligation, or settle, adjust, or compromise any claims against Franchisee, all without notice to the Owners. Owners waive notice of amendment of the Franchise Agreement and notice of demand for payment or performance by Franchisee.

4.6 Effect of Owner's Death. Upon the death of an Owner, the estate of such Owner will be bound by the obligations in this Section 4, but only for defaults and obligations hereunder existing at the time of death; and the obligations of any other Owners will continue in full force and effect.

4.7 Waiver of Acceptance, Default and Defenses. Owners waive: (i) acceptance and notice of acceptance by us of the forgoing undertakings; (b) protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations hereby guaranteed; and (c) any and all other notices and legal or equitable defenses, right of setoff, claim or counterclaim whatsoever to which they may be entitled at any time hereunder.

4.8 Continuing Nature. Owners agree that each of the obligations in this Section 4 shall be continuing and shall not be discharged by: (i) the insolvency of Franchisee or the payment in full of all of the obligations at any time; (ii) the power or authority or lack thereof of Franchisee to incur the obligations; (iii) the validity or invalidity of any of the obligations; (iv) the existence or non-existence of Franchisee as a legal entity; (v) any statute of limitations affecting the liability of Owners or the ability of us to enforce this Franchise Owner Agreement or the obligations; or (vi) any right of offset, counterclaim or defense of any Owner, including, without limitation, those which have been waived by Owners pursuant to this Franchise Owners Agreement.

5. Transfers.

Owners acknowledge and agree that we have granted the Franchise Agreement to Franchisee in reliance on Owners' business experience, skill, financial resources and personal character. Accordingly, Owners agree: a) not to sell, encumber, assign, transfer, convey, pledge, merge or give away any direct or indirect interest in this Franchisee, unless Owners first comply with the sections in the Franchise Agreement regarding transfers and assignment, and b) that any attempt to do so will be a ~~material~~ breach of this Owners Agreement and the Franchise Agreement. We may, from time to time, without notice to Owners, assign or transfer any or all of Owners' rights, duties and obligations or any interest therein in this Owners Agreement and, notwithstanding any assignment(s) or transfer(s), the rights, duties and obligations shall be and remain for the purpose of this Owners Agreement. Each and every immediate and successive assignee or transferee of any of the rights, duties or obligations of any interest therein shall, to the extent of such party's interest in the rights duties and/or obligations, be entitled to the benefits of this Owners Agreement to the same extent as if such assignee or transferee were us.

6. Notices.

6.1 Method of Notice. Any notices given under this Owners Agreement shall be in writing and delivered in accordance with the provisions of the Franchise Agreement.

6.2 Notice Addresses. Our current address for all communications under this Owners Agreement is:

Cookie Advantage, Inc.

7 North Armstrong
Bixby, Oklahoma 74008

The current address of each Owner for all communications under this Owners Agreement is designated on the signature page of this Owners Agreement. Any party may designate a new address for notices by giving written notice to the other parties of the new address according to the method set forth in the Franchise Agreement.

7. Enforcement of This Owners Agreement.

7.1 Dispute Resolution. Any claim or dispute arising out of or relating to this Owners Agreement shall be subject to the dispute resolution provisions of the Franchise Agreement. This agreement to engage in such dispute resolution process shall survive the termination or expiration of this Owners Agreement.

7.2 Choice of Law; Jurisdiction and Venue. This Owners Agreement and any claim or controversy arising out of, or relating to, any of the rights or obligations under this Owners Agreement, and any other claim or controversy between the parties, will be governed by the choice of law and jurisdiction and venue provisions of the Franchise Agreement.

7.3 Provisional Remedies. We have the right to seek from an appropriate court any provisional remedies, including temporary restraining orders or preliminary injunctions to enforce Owners' obligations under this Owners Agreement. Owners acknowledge and agree that there is no adequate remedy at law for Owners' failure to fully comply with the requirements of this Owners Agreement. Owners further acknowledge and agree that, in the event of any noncompliance, we will be entitled to temporary, preliminary, and permanent injunctions and all other equitable relief that any court with jurisdiction may deem just and proper. If injunctive relief is granted, Owners' only remedy will be the court's dissolution of the injunctive relief. If the injunctive relief was wrongfully issued, Owners expressly waive all claims for damages they incurred as a result of the wrongful issuance.

8. Miscellaneous.

8.1 No Other Agreements. This Owners Agreement constitutes the entire, full and complete agreement between the parties, and supersedes any earlier or contemporaneous negotiations, discussions, understandings or agreements. There are no representations, inducements, promises, agreements, arrangements, or undertakings, oral or written, between the parties relating to the matters covered by this Owners Agreement, other than those in this Owners Agreement. No other obligations, restrictions or duties that contradict or are inconsistent with the express terms of this Owners Agreement may be implied into this Owners Agreement. Except for unilateral reduction of the scope of the covenants permitted in Section 3.3 (or as otherwise expressly provided in this Owners Agreement), no amendment, change or variance from this Owners Agreement will be binding on either party unless it is mutually agreed to by the parties and executed in writing. Time is of the essence.

8.2 Severability. Each provision of this Owners Agreement, and any portions thereof, will be considered severable. If any provision of this Owners Agreement or the application of any provision to any person, property or circumstances is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Owners Agreement will be unaffected and will still remain in full force and effect. The parties agree that the provision found to be invalid or unenforceable will be modified to the extent necessary to make it valid and enforceable, consistent as much as possible with the original intent of the parties (i.e. to provide maximum protection for us and to effectuate the Owners'

obligations under the Franchise Agreement), and the parties agree to be bound by the modified provisions.

8.3 No Third-Party Beneficiaries. Nothing in this Owners Agreement is intended to confer upon any person or entity (other than the parties and their heirs, successors and assigns) any rights or remedies under or by reason of this Owners Agreement.

8.4 Construction. Any term defined in the Franchise Agreement which is not defined in this Owners Agreement will be ascribed the meaning given to it in the Franchise Agreement. The language of this Owners Agreement will be construed according to its fair meaning, and not strictly for or against either party. All words in this Owners Agreement refer to whatever number or gender the context requires. If more than one party or person is referred to as you, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation

8.5 Binding Effect. This Owners Agreement may be executed in counterparts, and each copy so executed and delivered will be deemed an original. This Owners Agreement is binding on the parties and their respective heirs, executors, administrators, personal representatives, successors and (permitted) assigns.

8.6 Continuing Nature of this Owners Agreement. This Owners Agreement shall be continuing and shall not be discharged, impaired or affected by: (1) the insolvency of Franchisee or the payment in full of all of the obligations under the Franchise Agreement at any time; (2) the validity or invalidity of any of the terms of the Owners Agreement; (3) the existence or non-existence of Franchisee as a legal entity; (4) any statute of limitations affecting the liability of Owners or the ability of us or our successors or assigns to enforce this Owners Agreement; (5) the transfer or assignment of all or a portion of the ownership in Franchisee and/or the assets of Franchisee; (6) the execution of an owners agreement or any other form of guaranty by any additional direct, indirect or beneficial owner of Franchisee in favor of us or our successors or assigns; (7) any right of offset, counterclaim or defense of any Owner; or (8) the expiration, termination or assignment of the Franchise Agreement or any other agreement between you and us.

8.7 Successors. References to “Franchisor” or “the undersigned,” or “you” include the respective parties' heirs, successors, assigns or transferees.

8.8 Nonwaiver. Our failure to insist upon strict compliance with any provision of this Owners Agreement shall not be a waiver of our right to do so. Delay or omission by us respecting any breach or default shall not affect our rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Owners Agreement shall be cumulative.

8.9 No Personal Liability. You agree that fulfillment of any and all of our obligations written in the Franchise Agreement or this Owners Agreement, or based on any oral communications which may be ruled to be binding in a court of law, shall be our sole responsibility and none of our owners, officers, agents, representatives, nor any individuals associated with us shall be personally liable to you for any reason.

8.10 Owners Agreement Controls. In the event of any discrepancy between this Owners Agreement and the Franchise Agreement, this Owners Agreement shall control.

(Signatures on following page)

IN WITNESS WHEREOF, the parties have entered into this Owners Agreement as of the effective date of the Franchise Agreement.

OWNER(S):

Sign: _____

Printed Name: [Insert Name of Owner]

Address: [Insert Address of Owner]

Sign: _____

Printed Name: [Insert Name of Owner]

Address: [Insert Address of Owner]

Sign: _____

Printed Name: [Insert Name of Owner]

Address:

Sign: _____

Printed Name: [Insert Name] Address of Owner]

Address:

SPOUSE(S):

Sign: _____

Printed Name: [Insert Name of Spouse]

Address: [Insert Address of Spouse]

Sign: _____

Printed Name: [Insert Name of Spouse]

Address: [Insert Address of Spouse]

Sign: _____

Printed Name: [Insert Name of Spouse]

Address:

Sign: _____

Printed Name: [Insert Name] Address of Spouse]

Address:

Rev.030824

Cookie Advantage, Inc. hereby accepts the agreements of the Owner(s) hereunder.

COOKIE ADVANTAGE, INC.

By: _____

Title: _____

State of _____

County of _____

The foregoing instrument was sworn to and subscribed before me this _____ day of _____,
20____, by _____.

name of signer

{Notary Seal}

Signature of Notary Public

Printed Name of Notary Public

My commission expires

EXHIBIT D

FRANCHISE DISCLOSURE QUESTIONNAIRE

FRANCHISE DISCLOSURE QUESTIONNAIRE

(This questionnaire is not to be used for any franchise sale in or to residents of California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin)

As you know, Cookie Advantage, Inc. (“we” or “us”), and you are preparing to enter into a Franchise Agreement for the operation of a Cookie Advantage franchise. **You cannot sign or date this questionnaire the same day as the Receipt for the Franchise Disclosure Document, but you must sign and date it the same day you sign the Franchise Agreement.** Please review each of the following questions carefully and provide honest responses to each question. If you answer “No” to any of the questions below, please explain your answer in the table provided below.

Do not sign this Questionnaire if you are a resident of Maryland or the franchise is to be operated in Maryland.

1. Yes__ No__ Have you received and personally reviewed the Franchise Agreement and each attachment or exhibit attached to it that we provided?

2. Yes__ No__ Have you received and personally reviewed the Franchise Disclosure Document and each attachment or exhibit attached to it that we provided?

3. Yes__ No__ Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?

4. Yes__ No__ Do you understand all the information contained in the Franchise Disclosure Document and Franchise Agreement?

5. Yes__ No__ Have you reviewed the Franchise Disclosure Document and Franchise Agreement with a lawyer, accountant, or other professional advisor, or have you had the opportunity for such review and chosen not to engage such professionals?

6. Yes__ No__ Have you had the opportunity to discuss the benefits and risks of developing and operating a Cookie Advantage Franchise with an existing Cookie Advantage franchisee?

7. Yes__ No__ Do you understand the risks of developing and operating a Cookie Advantage Franchise?

8. Yes__ No__ Do you understand the success or failure of your Cookie Advantage Franchise will depend in large part upon your skills, abilities, and efforts, and those of the persons you employ, as well as many factors beyond your control such as competition, interest rates, the economy, inflation, labor and supply costs, and other relevant factors?

9. Yes__ No__ Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement must be arbitrated in Oklahoma, if not resolved informally or by mediation (subject to state law)?

10. Yes__ No__ Do you understand that you must satisfactorily complete the initial training program before we will allow your Cookie Advantage Franchise to open or consent to a transfer of the Cookie Advantage Franchise to you?
11. Yes__ No__ Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a Cookie Advantage Franchise that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
12. Yes__ No__ Do you agree that no employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement and any addendum, concerning advertising, marketing, media support, marketing penetration, training, support service, or assistance that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
13. Yes__ No__ Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a Cookie Advantage Franchise will generate that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
14. Yes__ No__ Do you understand that the Franchise Agreement, including each attachment or exhibit to the Franchise Agreement, contains the entire agreement between us and you concerning the Cookie Advantage Franchise?
15. Yes__ No__ Do you understand that we are relying on your answers to this questionnaire to ensure that the franchise sale was made in compliance of state and federal laws?

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

Signature of Franchise Applicant

Signature of Franchise Applicant

Name (please print)

Name (please print)

Date _____

Date _____

EXHIBIT E

CONFIDENTIAL OPERATIONS MANUAL

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COOKIE ADVANTAGE
CONFIDENTIAL OPERATIONS MANUAL
TABLE OF CONTENTS

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Performance Requirements	1
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Use of Trademarks	1
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Miscellaneous	1
TOTAL PAGES	205*

*Some items may appear on the same page.

EXHIBIT F

LIST OF CURRENT AND FORMER FRANCHISEES

Current Franchisees as of December 31, 20222023:

Last Name	First Name	Entity Name	Address	City	State	Zip Code	Phone	Email
White Dixon	Paul David	Duke Aldon Holdings, LLC	PO BOX 373	Arkadelphia	AR	71923	870-210-0930 David Paul 5001-804-4503	David@cookieadvantage.com, Paul@cookieadvantage.com
Shah	Vinay & Michelle	MTTV Corp. (owns two outlets in Colorado)	6549 N. Academy Blvd.	Colorado Springs	CO	80918	(719) 321-4308	michelle@cookieadvantage.com
Dvorak	Rockey & Mary	Firm Foundation (owns Kansas and Missouri outlets)	2079 E. Sante Fe	Olathe	KS	66062	(913) 829-7472	cookieadvantage@sbcglobal.net
Hoffmann	Mike & Dana	HHH1 (owns Minnesota, and Wisconsin outlets, two outlets in Illinois, and one outlet in North Dakota/South Dakota/Iowa/Nebraska territory, which was sold as a single franchise)	3060 Southway Dr	St. Cloud	MN	56301	(320) 230-1950	camidwest@gmail.com
Foss	Dan & Dawn		1178 River Hwy Unit F	Mooreville	NC	28117	(704) 775-6350	dan@cookieadvantage.com, dawn@cookieadvantage.com
Adcock	Bryan & Jennifer	Addy Advantage, LLC (owns one Oklahoma and one Texas outlet)	625 Enterprise Blvd, Ste 180	Edmond	OK	73013	(405) 315-7101	jennifer@cookieadvantage.com, bryan@cookieadvantage.com
Proctor	James & Melissa	Proctor Properties Corp. dba Cookie Advantage	115 Stadium Road	Hendersonville	TN	37075	(615) 388-5997	jimmy@cookieadvantage.com
Wallace	Hugh	Luken Lodge, Inc.	5340 FM 1960 Rd. E	Humble	TX	77396	(432) 210-9422	Hugh@cookieadvantage.com
DeMartin & Mattson	Brian & Julia	Appreciate2, Inc. (Owns Waco, Austin/San Antonio, & West Texas)	409 W. Front St. Ste. 208	Hutto	TX	78634	(512) 953-7273	brian@cookieadvantage.com Julia@cookieadvantage.com
Townsend	Chaz & Christine	C2Marketing, LLC	2215 N Midland Dr., Ste. 4A	Midland	TX	79707	(432) 634-7627	chaz@cookieadvantage.com, etownsend@cookieadvantage.com

Last Name	First Name	Entity Name	Address	City	State	Zip Code	Phone	Email
Zarlengo	Danial & Michelle	Monument Bakery, LLC	1864 W. 12600 South #3	Riverton	UT	84065	(801) 870-4567	danial@cookieadvantage.com michellez@cookieadvantage.com

List of Franchisees with Unopened Outlets as of December 31, 20222023:

None.

List of Former Franchisees

The name and last known address of every franchisee who had a Cookie Advantage Franchise transferred, terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement during the period January 1, ~~2022~~2023 to December 31, ~~2022~~2023, or who has not communicated with us within ten weeks of the Issuance Date of this Franchise 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.

None.

<u>Last Name</u>	<u>First Name</u>	<u>Entity Name</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>Zip Code</u>	<u>Phone</u>	<u>Email</u>
Townsend	Chaz & Christine	C2Marketing, LLC	2215 N Midland Dr., Ste. 4A	Midland	TX	79707	(432) 634-7627	Townsend

EXHIBIT G

**STATE ADDENDA
AND AGREEMENT RIDERS**

STATE ADDENDA AND AGREEMENT RIDERS

ADDENDUM TO FRANCHISE AGREEMENT, SUPPLEMENTAL AGREEMENTS, AND FRANCHISE DISCLOSURE DOCUMENT FOR CERTAIN STATES FOR COOKIE ADVANTAGE, INC.

The following modifications are made to the Cookie Advantage, Inc. (“**Franchisor**,” “**us**,” “**we**,” or “**our**”) Franchise Disclosure Document (“**FDD**”) given to franchisee (“**Franchisee**,” “**you**,” or “**your**”) and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement between you and us dated _____, 20__ (“**Franchise Agreement**”). When the term “**Franchisor’s Choice of Law State**” is used, it means Oklahoma. When the term “**Supplemental Agreements**” is used, it means none.

Certain states have laws governing the franchise relationship and franchise documents. Certain states require modifications to the FDD, Franchise Agreement and other documents related to the sale of a franchise. This State-Specific Addendum (“**State Addendum**”) will modify these agreements to comply with the state’s laws. The terms of this State Addendum will only apply if you meet the requirements of the applicable state independently of your signing of this State Addendum. The terms of this State Addendum will override any inconsistent provision of the FDD, Franchise Agreement or any Supplemental Documents. This State Addendum only applies to the following states: California, Hawaii, Illinois, Iowa, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Ohio, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

If your state requires these modifications, you will sign this State Addendum along with the Franchise Agreement and any Supplemental Agreements.

CALIFORNIA

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

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 14 days prior to execution of agreement.

California Corporations Code Section 31125 requires us to give to you an FDD approved by the Department of Financial Protection and Innovation before we ask you to consider a material modification of your Franchise Agreement.

The Franchise Agreement contains, ~~and if applicable, the Supplemental Agreements may contain,~~ provisions requiring binding arbitration with the costs being awarded to the prevailing party. The arbitration will occur in Oklahoma. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement or Supplemental Agreements restricting venue to a forum outside the State of California. The Franchise Agreement ~~may contain~~ contains a mediation provision. If so, the parties shall each bear their own costs of mediation and shall share equally the filing fee and the mediator’s fees.

The Franchise Agreement and Supplemental Agreements require the application of the laws of Oklahoma. This provision may not be enforceable under California law.

Neither Franchisor nor any other person listed 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 such persons from membership in such association or exchange.

Item 6 of the Franchise Disclosure Document and Section 6.4 of the Franchise Agreement is revised to state the maximum interest rate allowed in California is 10% annually.

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

The Franchise Agreement and Supplemental Agreements may provide for termination upon bankruptcy. Any such provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. SEC. 101 et seq.).

The Franchise Agreement contains, ~~and if applicable, the Supplemental Agreements may contain,~~ a covenant not to compete provision which extends beyond the termination of the Franchise. Such provisions may not be enforceable under California law.

Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable. Any such provisions contained in the Franchise Agreement or Supplemental Agreements may not be enforceable.

You must sign a general release of claims if you renew or transfer your Franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516).

Our website has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the content of this website may be directed to the California Department of Financial Protection and Innovation at www.dfpi.ca.gov.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

HAWAII

The following is added to the Cover Page:

THIS FRANCHISE WILL BE/HAS 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 IN THIS FRANCHISE DISCLOSURE DOCUMENT 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 YOU OR SUBFRANCHISOR AT LEAST SEVEN (7) DAYS PRIOR TO THE EXECUTION BY YOU OR SUBFRANCHISOR OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN (7) DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY YOU, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE 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. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH US AND YOU.

Registered agent in the state authorized to receive service of process:

Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

The status of the Franchisor's franchise registrations in the states which require registration is as follows:

1. States in which this proposed registration is effective are listed in Exhibit I of the FDD on the page entitled, "State Effective Dates".
2. States which have refused, by order or otherwise, to register these Franchises are:
None
3. States which have revoked or suspended the right to offer the Franchises are:
None
4. States in which the proposed registration of these Franchises has been withdrawn are:
None

ILLINOIS

The Franchise Agreement is amended to state: Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a Franchise Agreement that designates jurisdiction or venue outside the

State of Illinois is void. However, a Franchise Agreement may provide for arbitration in a venue outside Illinois.

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 or any other law of this State is void.” The Franchise Agreement is amended accordingly.

Item 17.v, Choice of Forum, of the FDD is revised to include the following: “provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act.”

As referenced in Section 41 of the Illinois Franchise Disclosure Act, which provides that Illinois law will govern the Agreement, Item 17.w, Choice of Law, of the FDD is revised to include the following: “provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act”.

The termination and non-renewal provisions in the Franchise Agreement and the FDD may not be enforceable under Sections 19 and 20 of the Illinois Franchise Disclosure Act.

Under Section 705/27 of the Illinois Franchise Disclosure Act, no action for liability under the Illinois Franchise Disclosure Act can be maintained unless brought before the expiration of three (3) years after the act or transaction constituting the violation upon which it is based, the expiration of one (1) year after you become aware of facts or circumstances reasonably indicating that you may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to you of a written notice disclosing the violation, whichever shall first expire. To the extent that the Franchise Agreement is inconsistent with the Illinois Franchise Disclosure Act, Illinois law will control and supersede any inconsistent provision(s).

The Franchise Disclosure Questionnaire is amended to state: No claim made in any Franchise Agreement is intended to disclaim the express representations made in this Franchise Disclosure Document.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

See the last page of this Exhibit G for your required signature.

Fee Deferral

Item 5 and Item 7 of the Franchise Disclosure Document and Section 6 of the Franchise Agreement are hereby amended to state that the Initial Franchise Fee will be deferred until the Franchisor completes all of its training and other initial obligations to Franchisee and the Franchisee is open for business.

INDIANA

Item 8 of the FDD is amended to add the following:

Under Indiana Code Section 23-2-2.7-1(4), we will not accept any rebates from any person with whom you do business or associate in relation to transactions between you and the other person, other than for compensation for services rendered by us, unless the rebate is properly accounted for and submitted to you.

Item 17 of the FDD is amended to add the following:

Indiana Code 23-2-2.7-1(7) makes it unlawful for us to unilaterally terminate your Franchise Agreement unless there is a material violation of the Franchise Agreement and termination is not in bad faith.

Indiana Code 23-2-2.7-1(5) prohibits us to require you to agree to a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Act.

The “Summary” column in Item 17.r. of the FDD is deleted and the following is inserted in its place:

No competing business for two (2) years within the Territory.

The “Summary” column in Item 17.t. of the FDD is deleted and the following is inserted in its place:

Notwithstanding anything to the contrary in this provision, you do not waive any right under the Indiana Statutes with regard to prior representations made by us.

The “Summary” column in Item 17.v. of the FDD is deleted and the following is inserted in its place:

Litigation regarding Franchise Agreement in Indiana; other litigation in Franchisor’s Choice of Law State. This language has been included in this Franchise Disclosure Document as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement, including all venue provisions, is fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by them, including but not limited to, all venue, choice of law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

The “Summary” column in Item 17.w. of the FDD is deleted and the following is inserted in its place:

Indiana law applies to disputes covered by Indiana franchise laws; otherwise Franchisor’s Choice of Law State law applies.

Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all Franchises offered and sold in the State of Indiana:

1. The laws of the State of Indiana supersede any provisions of the FDD, the Franchise Agreement, or Franchisor’s Choice of Law State law, if such provisions are in conflict with Indiana law.
2. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the Franchise without good cause or in bad faith, good cause being defined under law as including any material breach of the Franchise Agreement, will supersede the provisions of the Franchise Agreement

relating to termination for cause, to the extent those provisions may be inconsistent with such prohibition.

3. Any provision in the Franchise Agreement that would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that such provision violates such law.
4. The covenant not to compete that applies after the expiration or termination of the Franchise Agreement for any reason is hereby modified to the extent necessary to comply with Indiana Code 23-2-2.7-1 (9).
5. The following provision will be added to the Franchise Agreement:

No Limitation on Litigation. Despite the foregoing provisions of this Agreement, any provision in the Agreement which limits in any manner whatsoever litigation brought for breach of the Agreement will be void to the extent that any such contractual provision violates the Indiana Deceptive Franchise Practices Law.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IOWA

Any provision in the Franchise Agreement or Compliance Questionnaire which would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Iowa Business Opportunity Promotions Law (Iowa Code Ch. 551A) is void to the extent that such provision violates such law.

The following language will be added to the Franchise Agreement:

NOTICE OF CANCELLATION

_____ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within three (3) business days from the above date. If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within ten (10) business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be cancelled.

If you cancel, you must make available to the seller at your residence or business address, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do not agree to return the goods to the seller or if the seller does not pick them up within twenty (20) days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to Cookie Advantage, Inc., 7 North Armstrong, Bixby, OK 74008, or send a fax to Cookie Advantage, Inc. at (918) 369-5200 not later than midnight of the third business day after the Effective Date.

I hereby cancel this transaction.

Franchisee: _____

By: _____

Print Name: _____

Its: _____

Date: _____

State of _____

County of _____

The foregoing instrument was sworn to and subscribed before me this _____ day of _____, 20____, by _____.
name of signer

{Notary Seal}

Signature of Notary Public

Printed Name of Notary Public

My commission expires

MARYLAND

AMENDMENTS TO FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENTS

Item 17 of the FDD and the Franchise Agreement are amended to state that the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Item 17 of the FDD and sections of the Franchise Agreement are amended to state that 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 three (3) years after the grant of the Franchise.

The Franchise Agreement and Franchise Disclosure Questionnaire are amended to state that all representations requiring prospective franchisees to assent to a release, estoppel, or waiver of liability 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 Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A Sec. 101 et seq.).

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Franchise Fee Deferral:

Item 5 of the Franchise Disclosure Document and the Franchise Agreement are hereby amended to state: “Based upon the franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the Franchise Agreement.”

FRANCHISOR:

FRANCHISEE:

COOKIE ADVANTAGE, INC.

Entity name (if any)

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

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 prior to 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 applies only if: (i) the term of the Franchise is less than five (5) years; and (ii) you are prohibited by the Franchise Agreement 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 six (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 the State of Michigan. 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) your or 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.

Any questions regarding this notice should be directed to:

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

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

MINNESOTA

Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all Franchises offered and sold in the State of Minnesota:

1. Any provision in the Franchise Agreement which would require you to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22 will be void to the extent that such contractual provision violates such law.
2. Minnesota Statute Section 80C.21 and Minnesota Rule 2860.4400J prohibit the franchisor from requiring litigation to be conducted outside of Minnesota. In addition, nothing in the FDD or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of Minnesota.
3. Minn. Rule Part 2860.4400J prohibits a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes. Any provision in the Franchise Agreement which would require you to waive your rights to any procedure, forum or remedies provided for by the laws of the State of Minnesota is deleted from any agreement relating to Franchises offered and sold in the State of Minnesota; provided, however, that this paragraph will not affect the obligation in the Franchise Agreement relating to arbitration.
4. With respect to Franchises governed by Minnesota law, we will comply with Minnesota Statute Section 80C.14, Subds. 3, 4 and 5, which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement; and that consent to the transfer of the Franchise will not be unreasonably withheld.
5. Item 13 of the FDD is hereby amended to state that we will protect your rights under the Franchise Agreement to use the Marks, or indemnify you from any loss, costs, or expenses arising out of any third-party claim, suit or demand regarding your use of the Marks, if your use of the

Marks is in compliance with the provisions of the Franchise Agreement and our System standards.

6. Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release. As a result, the FDD and the Franchise Agreement, which require you to sign a general release prior to renewing or transferring your Franchise, are hereby deleted from the Franchise Agreement, to the extent required by Minnesota law.
7. The following language will appear as a new paragraph of the Franchise Agreement:

No Abrogation. Pursuant to Minnesota Statutes, Section 80C.21, nothing in the dispute resolution section of this Agreement will in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80.C.
8. Minnesota Statute Section 80C.17 states that no action for a violation of Minnesota Statutes, Sections 80C.01 to 80C.22 may be commenced more than three (3) years after the cause of action accrues. To the extent that the Franchise Agreement conflicts with Minnesota law, Minnesota law will prevail.
9. Item 6 of the FDD and Section 6.4 of the Franchise Agreement is hereby amended to limit the Returned Check Or Insufficient Funds Fee to \$30 per occurrence pursuant to Minnesota Statute 604.113.
- ~~10.~~ Item 6 of the FDD and Section 6.4 of the Franchise Agreement is hereby amended to limit the Insufficient Funds Fee to \$30 per occurrence pursuant to Minnesota Statute 604.113.
11. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

NEW YORK

1. The following information is added to the ~~Cover Page~~cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT 'A' OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN—~~THAT~~ ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR ~~CANNOT~~CAN NOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

_____~~Except as provided~~With the exception of what is stated above, ~~with regard~~the following applies to ~~Franchisor~~the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor’s principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the ~~Franchise System~~franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge, or within the ~~ten~~10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation, or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the “Summary” sections of Item 17(c), titled “**Requirements for franchisee to renew or extend,**” and Item 17(m), entitled “**Conditions for franchisor approval of transfer**”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled “**Termination by franchisee**”:

_____You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the “Summary” sections of Item 17(v), titled “**Choice of forum**”^{2,3} and Item 17(w), titled “**Choice of law**”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or ~~upon~~ the franchisee by Article 33 of the General Business Law of the State of New York.

6. Franchise Questionnaires and Acknowledgements - No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Receipts - Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

NORTH DAKOTA

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring that you sign a general release, estoppel or waiver as a condition of renewal and/or assignment may not be enforceable as they relate to releases of the North Dakota Franchise Investment Law.

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring 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 to the extent required by law.

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements 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 to the extent required by law.

Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to liquidated damages and/or termination penalties may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements 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 accordingly to the extent required by law.

Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements 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 accordingly to the extent required by law.

Item 17(r) of the FDD and Section 9 of the Franchise Agreement disclose the existence of certain covenants restricting competition to which Franchisee must agree. The Commissioner has held that covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without

further disclosing that such covenants may be subject to this statute, are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The FDD and the Franchise Agreement are amended accordingly to the extent required by law.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Franchise Fee Deferral:

Items 5 and 7 of the Franchise Disclosure Document and Section 6 of the Franchise Agreement regarding payment of the initial franchise fee are amended to state that the franchise fee will be deferred until all initial obligations owed to the Franchisee by the Franchisor have been fulfilled and the franchisee has commenced doing business pursuant to the Franchise Agreement.

OHIO

The following language will be added to the front page of the Franchise Agreement:

You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this agreement. See the attached notice of cancellation for an explanation of this right.

Initials _____ Date _____

NOTICE OF CANCELLATION

_____ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five (5) business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten (10) business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to Cookie Advantage, Inc., 7 North Armstrong, Bixby, OK 74008, or send a fax to Cookie Advantage, Inc. at (918) 369-5200 not later than midnight of the fifth business day after the Effective Date.

I hereby cancel this transaction.

Franchisee:

Date: _____

By: _____

Print Name: _____

Its: _____

State of _____

County of _____

The foregoing instrument was sworn to and subscribed before me this _____ day of _____, 20__ by _____.

name of signer

{Notary Seal}

Signature of Notary Public

Printed Name of Notary Public

My commission expires

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 FDD, the Franchise Agreement, and the Supplemental Agreements are amended accordingly to the extent required by law.

The above language has been included in this FDD as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement and the Supplemental Agreements, including all choice of law provisions, are fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement, the Supplemental Agreements, and all other documents signed by them, including but not limited to, all venue, choice of law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

SOUTH DAKOTA

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any

claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Fee Deferral

Item 5 and 7 of the Franchise Disclosure Document and the Franchise Agreement are hereby amended to state that the Initial Franchise Fee will be deferred until the Franchisor has completed all of its pre-opening obligations and the franchise is open for business. The following language will be added to the franchise agreement:

COOKIE ADVANTAGE, INC.
ACKNOWLEDGEMENT OF DEFERRAL OF INITIAL FRANCHISE FEE

_____ (“Franchisee”) entered into a Franchise Agreement with Cookie Advantage, Inc. (“Franchisor”) on _____, 20__ for the operation of a Cookie Advantage franchise in South Dakota. As a condition for Franchisor’s registration to offer franchises for sale in South Dakota, the South Dakota Department of Labor and Regulation, based on Franchisor’s financial condition, required Franchisor to defer the initial franchise fee for the purchase of such franchise until Franchisor has fulfilled all of its initial obligations under the Franchise Agreement and Franchisee has commenced doing business. This is an acknowledgement that such initial franchise fee has been deferred by Franchisor until such time.

FRANCHISOR:

COOKIE ADVANTAGE, INC.
an Oklahoma Corporation

Date: _____

By: _____

FRANCHISEE:

Date: _____

By: _____

State of _____

County of _____

The foregoing instrument was sworn to and subscribed before me this _____ day of _____, 20__, by _____:
name of signer

{Notary Seal}

Signature of Notary Public

Printed Name of Notary Public

My commission expires

VIRGINIA

Item 17(h). The following is added to Item 17(h):

“Pursuant to Section 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 Supplemental Agreements involve the use of undue influence by the Franchisor to induce a franchisee to surrender any rights given to franchisee under the Franchise, that provision may not be enforceable.”

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the FDD for Cookie Advantage, Inc. for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure. The following statements are added to Item 8 and Item 17.h.

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 following risk factor is added to the Special Risks to Consider About This Franchise page:

Estimated Initial Investment. The franchisee will be required to make an estimated initial investment ranging from \$92,550 to \$148,500. This amount exceeds the franchisor’s stockholders’ equity as of December 31, 2022, which is \$57,075.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

WASHINGTON

ADDENDUM TO FRANCHISE AGREEMENT, ~~FRANCHISE DISCLOSURE QUESTIONNAIRE,~~ AND FRANCHISE DISCLOSURE DOCUMENT

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 Franchise Disclosure Questionnaire in Exhibit D is revised to state: The Questionnaire does not waive any liability the franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the

franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

WISCONSIN

The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provision of the Franchise Agreement if such provision is in conflict with that law. The Franchise Disclosure Document, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

(Signatures on following page)

APPLICABLE ADDENDA

If any one of the preceding Addenda for specific states (“**Addenda**”) is checked as an “Applicable Addenda” below, then that Addenda shall be incorporated into the Franchise Disclosure Document, Franchise Agreement and any other specified agreement(s) entered into by us and the undersigned Franchisee. To the extent any terms of an Applicable Addenda conflict with the terms of the Franchise Disclosure Document, Franchise Agreement and other specified agreement(s), the terms of the Applicable Addenda shall supersede the terms of the Franchise Agreement.

- | | | | | | |
|--------------------------|------------|--------------------------|--------------|--------------------------|--------------|
| <input type="checkbox"/> | California | <input type="checkbox"/> | Michigan | <input type="checkbox"/> | Rhode Island |
| <input type="checkbox"/> | Hawaii | <input type="checkbox"/> | Minnesota | <input type="checkbox"/> | South Dakota |
| <input type="checkbox"/> | Illinois | <input type="checkbox"/> | New York | <input type="checkbox"/> | Virginia |
| <input type="checkbox"/> | Iowa | <input type="checkbox"/> | North Dakota | <input type="checkbox"/> | Washington |
| <input type="checkbox"/> | Indiana | <input type="checkbox"/> | Ohio | <input type="checkbox"/> | Wisconsin |
| <input type="checkbox"/> | Maryland | | | | |

Dated: _____, 20__

FRANCHISOR:

COOKIE ADVANTAGE, INC.

By: _____

Title: _____

FRANCHISEE:

By: _____

Title: _____

030123071823

Rev.

State of _____

County of _____

The foregoing instrument was sworn to and subscribed before me this _____ day of _____, 20__, by _____, name of signer

{Notary Seal}

Signature of Notary Public

Printed Name of Notary Public

My commission expires

EXHIBIT H

CONTRACTS FOR USE WITH THE COOKIE ADVANTAGE FRANCHISE

The following contracts contained in Exhibit H are contracts that Franchisee is required to utilize or execute after signing the Franchise Agreement in the operation of the Cookie Advantage Business. The following are the forms of contracts that Cookie Advantage, Inc. uses as of the Issuance Date of this Franchise Disclosure Document. If they are marked “Sample,” they are subject to change at any time.

EXHIBIT H-1

COOKIE ADVANTAGE FRANCHISE

SAMPLE GENERAL RELEASE AGREEMENT

WAIVER AND RELEASE OF CLAIMS

This Waiver and Release of Claims (“Release”) is made as of _____, 20__ by _____, a(n) _____ (“Franchisee”), and each individual holding an ownership interest in Franchisee (collectively with Franchisee, “Releasor”) in favor of Cookie Advantage, Inc., an Oklahoma corporation (“Franchisor,” and together with Releasor, the “Parties”).

WHEREAS, Franchisor and Franchisee have entered into a Franchise Agreement (“Agreement”) pursuant to which Franchisee was granted the right to own and operate a Cookie Advantage business;

WHEREAS, (Franchisee has notified Franchisor of its desire to transfer the Agreement and all rights related thereto, or an ownership interest in Franchisee, to a transferee/enter into a successor franchise agreement/amend the Agreement) or (the Agreement is being terminated/or indicate other reason for the requirement of this waiver and release), and Franchisor has consented to such (transfer/successor franchise agreement/amendment/termination/other reason); and

WHEREAS, as a condition to Franchisor’s consent to (transfer the Agreement/enter into a successor franchise agreement/amend the Agreement/terminate the Agreement/other reason), Releasor has agreed to execute this Release upon the terms and conditions stated below.

NOW, THEREFORE, in consideration of Franchisor’s consent, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, Releasor hereby agrees as follows:

1. **Representations and Warranties**. Releasor represents and warrants that it is duly authorized to enter into this Release and to perform the terms and obligations herein contained, and has not assigned, transferred, or conveyed, either voluntarily or by operation of law, any of its rights or claims against Franchisor or any of the rights, claims, or obligations being terminated and released hereunder. Each individual executing this Release on behalf of Franchisee represents and warrants that he/she is duly authorized to enter into and execute this Release on behalf of Franchisee. Releasor further represents and warrants that all individuals that currently hold a direct or indirect ownership interest in Franchisee are signatories to this Release.

2. **Release**. Releasor and its subsidiaries, affiliates, parents, divisions, successors and assigns, and all persons or firms claiming by, through, under, or on behalf of any or all of them, hereby release, acquit, and forever discharge Franchisor, any and all of its affiliates, parents, subsidiaries, or related companies, divisions, and partnerships, and its and their past and present officers, directors, agents, partners, shareholders, employees, representatives, successors and assigns, and attorneys, and the spouses of such individuals (collectively, the “Released Parties”), from any and all claims, liabilities, damages, expenses, actions, or causes of action which Releasor may now have or has ever had, whether known or unknown, past or present, absolute or contingent, suspected or unsuspected, of any nature whatsoever, including without limiting the generality of the foregoing, all claims, liabilities, damages, expenses, actions, or causes of action directly or indirectly arising out of or relating to the execution and performance of the Agreement and the

offer and sale of the franchise related thereto, except to the extent such liabilities are payable by the applicable indemnified party in connection with a third-party claim. Releasor represents and warrants to the Released Parties, and agrees, that it may later learn of new or different facts, but that still, it is Releasor's intention to fully, finally, and forever release all of the claims that are released above. This includes the Releasor's waiver of state laws that might apply to limit a release (such as Calif. Civil Code Section 1542, which states that "[a] general release does not extend to claims which the creditor does not know or suspect exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor").

3. Nondisparagement. Releasor expressly covenants and agrees not to make any false representation of facts, or to defame, disparage, discredit, or deprecate any of the Released Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Released Parties, their business, or their reputation.

4. Confidentiality. Releasor agrees to hold in strictest confidence and not disclose, publish, or use the existence of, or any details relating to, this Release to any third party without Franchisor's express written consent, except as required by law.

5. Miscellaneous.

a. Releasor agrees that it has read and fully understands this Release and that the opportunity has been afforded to Releasor to discuss the terms and contents of said Release with legal counsel and/or that such a discussion with legal counsel has occurred.

b. This Release shall be construed and governed by the laws of the State of Oklahoma.

c. Each individual and entity that comprises Releasor shall be jointly and severally liable for the obligations of Releasor.

d. In the event that it shall be necessary for any Party to institute legal action to enforce or for the breach of any of the terms and conditions or provisions of this Release, the prevailing Party in such action shall be entitled to recover all of its reasonable costs and attorneys' fees.

e. All of the provisions of this Release shall be binding upon and inure to the benefit of the Parties and their current and future respective directors, officers, partners, attorneys, agents, employees, shareholders, and the spouses of such individuals, successors, affiliates, and assigns. No other party shall be a third-party beneficiary to this Release.

f. This Release constitutes the entire agreement and, as such, supersedes all prior oral and written agreements or understandings between and among the Parties regarding the subject matter hereof. This Release may not be modified except in a writing signed by all of the Parties. This Release may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

g. If one or more of the provisions of this Release shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect or impair any other provision of this Release, but this Release shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein.

h. Releasor agrees to do such further acts and things and to execute and deliver such additional agreements and instruments as any Released Party may reasonably require to consummate, evidence, or confirm the Release contained herein in the matter contemplated hereby.

i. This Release is inapplicable with respect to claims arising under the Washington Franchise Investment Protection Act, chapter 19.100 RCW, and the rules adopted thereunder in accordance with RCW 19.100.220.

(Signatures on following page)

IN WITNESS WHEREOF, Releasor has executed this Release as of the date first written above.

FRANCHISEE:

_____, a

By: _____

Printed Name: _____

Title: _____

FRANCHISEE’S OWNERS:

Date _____

Signature

Typed or Printed Name

Signature

Typed or Printed Name

Rev. 092122

State of _____

County of _____

The foregoing instrument was sworn to and subscribed before me this _____ day of _____,
20__, by _____.
name of signer

{Notary Seal}

Signature of Notary Public

Printed Name of Notary Public

My commission expires

EXHIBIT H-2

COOKIE ADVANTAGE FRANCHISE

SAMPLE SYSTEM PROTECTION AGREEMENT

This System Protection Agreement (“Agreement”) is entered into by the undersigned (“you” or “your”) in favor of Cookie Advantage, Inc., an Oklahoma corporation, and its successors and assigns (“us,” “we,” or “our”), upon the terms and conditions set forth in this Agreement.

1. Definitions. For purposes of this Agreement, the following terms have the meanings given to them below:

“*Competitive Business*” means any business that: (i) sells or offers to sell products the same as or similar to the type of products sold by you in and/or from the Franchisee Territory (including, but not limited to, the products we authorize); or (ii) provides or offers to provide services the same as or similar to the type of services sold by you in and/or from the Franchisee Territory (including, but not limited to, the services we authorize), but excludes a Cookie Advantage business operating pursuant to a franchise agreement with us.

“*Copyrights*” means all works and materials for which we or our affiliate have secured common law or registered copyright protection and that we allow franchisees to use, sell, or display in connection with the marketing and/or operation of a Cookie Advantage business or the solicitation or offer of a Cookie Advantage franchise, whether now in existence or created in the future.

“*Franchisee*” means the Cookie Advantage franchisee for which you are a manager or officer.

“*Franchisee Territory*” means the territory granted to you pursuant to a franchise agreement with us.

“*Intellectual Property*” means, collectively or individually, our Marks, Copyrights, Know-how, and System.

“*Know-how*” means all of our trade secrets and other proprietary information relating to the development, construction, marketing, and/or operation of a Cookie Advantage business, including, but not limited to, methods, techniques, specifications, proprietary practices and procedures, policies, marketing strategies, and information comprising the System and the Manual.

“*Manual*” means our confidential operations manual for the operation of a Cookie Advantage business, which may be periodically modified by us.

“*Marks*” means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a Cookie Advantage business, including “COOKIE ADVANTAGE,” and any other trademarks, service marks, or trade names that we designate for use by a Cookie Advantage business. The term “Marks” also includes any distinctive trade dress used to identify a Cookie Advantage business, whether now in existence or hereafter created.

“*Prohibited Activities*” means any or all of the following: (i) owning, operating, or having any other interest (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent, or in any similar capacity) in a Competitive Business (other than owning an interest of five percent (5%) or less in a publicly-traded company that is a Competitive Business); and/or (ii) diverting or attempting to divert any business from us (or one of our affiliates or franchisees); and/or (iii) inducing or attempting to induce any customer of ours (or of one of our affiliates or franchisees) to transfer their business to you or to any other person that is not then a franchisee of ours.

“*Restricted Period*” means the two-year period after you cease to be a manager or officer of Franchisee’s Cookie Advantage business; provided, however, that if a court of competent jurisdiction determines that this period of time is too long to be enforceable, then the “*Restricted Period*” means the nine (9) month period after you cease to be a manager or officer of Franchisee’s Cookie Advantage business.

“*Restricted Territory*” means the geographic area within: (i) ~~the Franchisee Territory or within a 50-mile radius Franchisee’s Cookie Advantage business;~~ (ii) a 50-mile radius from the Franchisee Territory-~~); and including the premises of the approved location of Franchisee);~~ and (ii)(iii) a 50-mile radius from all other Cookie Advantage businesses that are operating or under construction as of the beginning of the Restricted Period; provided, however, that if a court of competent jurisdiction determines that the foregoing Restricted Territory is too broad to be enforceable, then the “*Restricted Territory*” means the geographic area within a 25-mile radius from Franchisee’s Cookie Advantage business (and including the premises of the approved location of Franchisee).

“*System*” means our system for the establishment, development, operation, and management of a Cookie Advantage business, including Know-how, proprietary programs and products, Manual, and operating system.

2. Background. You are a manager or officer of Franchisee. As a result of this relationship, you may gain knowledge of our System. You understand that protecting the Intellectual Property and our System are vital to our success and that of our franchisees and that you could seriously jeopardize our entire System if you were to unfairly compete with us. In order to avoid such damage, you agree to comply with the terms of this Agreement.

3. Know-How and Intellectual Property. You agree: (i) you will not use the Know-how in any business or capacity other than the Cookie Advantage business operated by Franchisee; (ii) you will maintain the confidentiality of the Know-how at all times; (iii) you will not make unauthorized copies of documents containing any Know-how; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Know-how; and (v) you will stop using the Know-how immediately if you are no longer a manager or officer of Franchisee’s Cookie Advantage business. You further agree that you will not use all or part of the Intellectual Property or all or part of the System for any purpose other than the performance of your duties for Franchisee and within the scope of your employment or other engagement with Franchisee. These restrictions on Know-how, Intellectual Property and the System shall not apply to any information which is information publicly known or becomes lawfully known in the public domain other than through a breach of this Agreement or is required or compelled by law to be disclosed, provided that you will give reasonable notice to us to allow us to seek protective or other court orders.

4. Unfair Competition During Relationship. You agree not to unfairly compete with us at any time while you are a manager or officer of Franchisee’s Cookie Advantage business by engaging in any Prohibited Activities.

5. Unfair Competition After Relationship. You agree not to unfairly compete with us during the Restricted Period by engaging in any Prohibited Activities; provided, however, that the Prohibited Activity relating to having an interest in a Competitive Business will only apply with respect to a Competitive Business that is located within or provides competitive goods or services to customers who are located within the Restricted Territory. If you engage in any Prohibited Activities during the Restricted Period, then you agree that your Restricted Period will be extended by the period of time during which you were engaging in the Prohibited Activity.

6. Immediate Family Members. You acknowledge that you could circumvent the purpose of this Agreement by disclosing Know-how to an immediate family member (i.e., spouse, parent, sibling, child, grandparent or grandchild). You also acknowledge that it would be difficult for us to prove whether

you disclosed the Know-how to family members. Therefore, you agree that you will be presumed to have violated the terms of this Agreement if any member of your immediate family: (i) engages in any Prohibited Activities during any period of time during which you are prohibited from engaging in the Prohibited Activities; or (ii) uses or discloses the Know-how. However, you may rebut this presumption by furnishing evidence conclusively showing that you did not disclose the Know-how to the family member.

7. Covenants Reasonable. You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE, OR OTHERWISE UNENFORCEABLE.**

8. Breach. You agree that failure to comply with the terms of this Agreement will cause substantial and irreparable damage to us and/or other Cookie Advantage franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of the terms of this Agreement will entitle us to injunctive relief. You agree that we may apply for such 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 the sole remedy of yours in the event of the entry of such injunction will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed \$1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance, and recovery of monetary damages. Any claim, defense, or cause of action that you may have against us, our owners or our affiliates, or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

9. Miscellaneous.

a. If we pursue legal remedies against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorneys' fees and costs in doing so.

b. This Agreement will be governed by, construed, and enforced under the laws of Oklahoma, and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

c. Each section of this Agreement, including each subsection and portion thereof, is severable. If any section, subsection, or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection, or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration, and geographic area.

d. You and we both believe that the covenants in this Agreement are reasonable in terms of scope, duration, and geographic area. However, we may at any time unilaterally modify the terms of this Agreement upon written notice to you by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory, and/or reducing the scope of any other covenant imposed upon you under this Agreement to ensure that the terms and covenants in this Agreement are enforceable under applicable law.

(Signatures on following page)

EXHIBIT H-3

COOKIE ADVANTAGE FRANCHISE

SAMPLE CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement (“Agreement”) is entered into by the undersigned (“you”) in favor of Cookie Advantage, Inc., an Oklahoma corporation, and its successors and assigns (“us”), upon the terms and conditions set forth in this Agreement.

1. Definitions. For purposes of this Agreement, the following terms have the meanings given to them below:

“*Cookie Advantage Business*” means a business that sells cookies, cookie cups, and related goods that are marketed primarily as gift items to businesses and individuals who desire to express their appreciation to their customers and obtain customer feedback, and other related products and services using our Intellectual Property.

“*Copyrights*” means all works and materials for which we or our affiliate(s) have secured common law or registered copyright protection and that we allow Cookie Advantage franchisees to use, sell, or display in connection with the marketing and/or operation of a Cookie Advantage Business, whether now in existence or created in the future.

“*Franchisee*” means the Cookie Advantage franchisee for which you are an employee, independent contractor, agent, representative, or supplier.

“*Intellectual Property*” means, collectively or individually, our Marks, Copyrights, Know-how, Manual, and System.

“*Know-how*” means all of our trade secrets and other proprietary information relating to the development, construction, marketing, and/or operation of a Cookie Advantage Business, including, but not limited to, methods, techniques, specifications, proprietary practices and procedures, policies, marketing strategies, and information comprising the System and the Manual.

“*Manual*” means our confidential operations manual for the operation of a Cookie Advantage Business.

“*Marks*” means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a Cookie Advantage Business, including “COOKIE ADVANTAGE” and any other trademarks, service marks, or trade names that we designate for use by a Cookie Advantage Business. The term “Marks” also includes any distinctive trade dress used to identify a Cookie Advantage Business, whether now in existence or hereafter created.

“*System*” means our system for the establishment, development, operation, and management of a Cookie Advantage Business, including Know-how, proprietary programs and products, confidential operations manuals, and operating system.

2. Background. You are an employee, independent contractor, agent, representative, or supplier of Franchisee. Because of this relationship, you may gain knowledge of our Intellectual Property. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees, and that you could seriously jeopardize our entire Franchise System if you were to use such Intellectual Property in any way other than as described in this Agreement. In order to avoid such damage, you agree to comply with this Agreement.

3. Know-How and Intellectual Property: Nondisclosure and Ownership. You agree: (i) you will not use the Intellectual Property in any business or capacity other than for the benefit of the Cookie Advantage Business operated by Franchisee or in any way detrimental to us or to the Franchisee; (ii) you will maintain the confidentiality of the Intellectual Property at all times; (iii) you will not make unauthorized copies of documents containing any Intellectual Property; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Intellectual Property; and (v) you will stop using the Intellectual Property immediately if you are no longer an employee, independent contractor, agent, representative, or supplier of Franchisee. You further agree that you will not use the Intellectual Property for any purpose other than the performing your duties for Franchisee and within the scope of your employment or other engagement with Franchisee.

The Intellectual Property is and shall continue to be the sole property of Cookie Advantage, Inc. You hereby assign and agree to assign to us any rights you may have or may acquire in such Intellectual Property. Upon the termination of your employment or engagement with Franchisee, or at any time upon our or Franchisee's request, you will deliver to us or to Franchisee all documents and data of any nature pertaining to the Intellectual Property, and you will not take with you any documents or data or copies containing or pertaining to any Intellectual Property.

4. Immediate Family Members. You acknowledge you could circumvent the purpose of this Agreement by disclosing Intellectual Property to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). You also acknowledge that it would be difficult for us to prove whether you disclosed the Intellectual Property to family members. Therefore, you agree you will be presumed to have violated the terms of this Agreement if any member of your immediate family uses or discloses the Intellectual Property. However, you may rebut this presumption by furnishing evidence conclusively showing you did not disclose the Intellectual Property to the family member.

5. Covenants Reasonable. You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE, OR OTHERWISE UNENFORCEABLE.**

6. Breach. You agree that failure to comply with this Agreement will cause substantial and irreparable damage to us and/or other Cookie Advantage franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of this Agreement will entitle us to injunctive relief. You agree that we may apply for such 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 the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed \$1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance, and recovery of monetary damages. Any claim, defense, or cause of action you may have against us or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

7. Miscellaneous.

a. Although this Agreement is entered into in favor of Cookie Advantage, Inc., you understand and acknowledge that your employer/employee, independent contractor, agent, representative,

or supplier relationship is with Franchisee and not with us, and for all purposes in connection with such relationship, you will look to Franchisee and not to us.

b. If we pursue legal remedies against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorney fees and costs in doing so.

c. This Agreement will be governed by, construed, and enforced under the laws of Oklahoma, and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

d. Each section of this Agreement, including each subsection and portion, is severable. If any section, subsection, or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection, or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms enforceable.

EXECUTED on the date stated below.

Date _____

Signature

Typed or Printed Name

Rev. 032916

State of _____

County of _____

The foregoing instrument was sworn to and subscribed before me this _____ day of _____, 20__ , by _____.
name of signer

{Notary Seal}

Signature of Notary Public

Printed Name of Notary Public

My commission expires

EXHIBIT H-4

COOKIE ADVANTAGE FRANCHISE

SAMPLE APPROVAL OF REQUESTED ASSIGNMENT

This Approval of Requested Assignment (“**Agreement**”) is entered into this ____ day of _____, 20____, between Cookie Advantage, Inc. (“**Franchisor**”), an Oklahoma corporation, _____ (“**Former Franchisee**”), the undersigned owners of Former Franchisee (“**Owners**”) and _____, a [State] [corporation/limited liability company] (“**New Franchisee**”).

RECITALS

WHEREAS, Franchisor and Former Franchisee entered into that certain franchise agreement dated _____, 20____ (“**Former Franchise Agreement**”), in which Franchisor granted Former Franchisee the right to operate a Cookie Advantage franchise located at _____ (“**Franchised Business**”); and

WHEREAS, Former Franchisee desires to assign (“**Requested Assignment**”) the Franchised Business to New Franchisee, New Franchisee desires to accept the Requested Assignment of the Franchised Business from Former Franchisee, and Franchisor desires to approve the Requested Assignment of the Franchised Business from Former Franchisee to New Franchisee upon the terms and conditions contained in this Agreement, including that New Franchisee sign Franchisor’s current form of franchise agreement together with all exhibits and attachments thereto (“**New Franchise Agreement**”), contemporaneously herewith.

NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements herein contained, the parties hereto hereby covenant, promise, and agree as follows:

1. Payment of Fees. In consideration for the Requested Assignment, Former Franchisee acknowledges and agrees to pay Franchisor the Transfer Fee, as required under the Franchise Agreement (“**Franchisor’s Assignment Fee**”).

2. Assignment and Assumption. Former Franchisee hereby consents to assign all of its rights and delegate its duties with regard to the Former Franchise Agreement and all exhibits and attachments thereto from Former Franchisee to New Franchisee, subject to the terms and conditions of this Agreement, and conditioned upon New Franchisee’s signing the New Franchise Agreement pursuant to Section 5 of this Agreement.

3. Consent to Requested Assignment of Franchised Business. Franchisor hereby consents to the Requested Assignment of the Franchised Business from Former Franchisee to New Franchisee upon receipt of the Franchisor’s Assignment Fee from Former Franchisee and the mutual execution of this Agreement by all parties. Franchisor waives its right of first refusal set forth in the Former Franchise Agreement.

4. Termination of Rights to the Franchised Business. The parties acknowledge and agree that effective upon the date of this Agreement, the Former Franchise Agreement shall terminate and all of Former Franchisee’s rights to operate the Franchised Business are terminated and that from the date of this Agreement only New Franchisee shall have the sole right to operate the Franchised Business under

the New Franchise Agreement. Former Franchisee and the undersigned Owners agree to comply with all of the covenants in the Former Franchise Agreement that expressly or by implication survive the termination, expiration, or transfer of the Former Franchise Agreement. Unless otherwise precluded by state law, Former Franchisee shall execute Franchisor's current form of General Release Agreement.

5. New Franchise Agreement. New Franchisee shall execute the New Franchise Agreement for the Franchised Business (as amended by the form of Addendum prescribed by Franchisor, if applicable), and any other required contracts for the operation of a Cookie Advantage franchise as stated in Franchisor's Franchise Disclosure Document.

6. Former Franchisee's Contact Information. Former Franchisee agrees to keep Franchisor informed of its current address and telephone number at all times during the three-year period following the execution of this Agreement.

7. Acknowledgement by New Franchisee. New Franchisee acknowledges and agrees that the purchase of the rights to the Franchised Business ("**Transaction**") occurred solely between Former Franchisee and New Franchisee. New Franchisee also acknowledges and agrees that Franchisor played no role in the Transaction and that Franchisor's involvement was limited to the approval of Requested Assignment and any required actions regarding New Franchisee's signing of the New Franchise Agreement for the Franchised Business. New Franchisee agrees that any claims, disputes, or issues relating New Franchisee's acquisition of the Franchised Business from Franchisee are between New Franchisee and Former Franchisee, and shall not involve Franchisor.

8. Representation. Former Franchisee warrants and represents that it has not heretofore assigned, conveyed, or disposed of any interest in the Former Franchise Agreement or Franchised Business. New Franchisee hereby represents that it received Franchisor's Franchise Disclosure Document and did not sign the New Franchise Agreement or pay any money to Franchisor or its affiliate for a period of at least 14 calendar days after receipt of the Franchise Disclosure Document.

9. Notices. Any notices given under this Agreement shall be in writing, and if delivered by hand, or transmitted by U.S. certified mail, return receipt requested, postage prepaid, or via telegram or telefax, shall be deemed to have been given on the date so delivered or transmitted, if sent to the recipient at its address or telefax number appearing on the records of the sending party.

10. Further Actions. Former Franchisee and New Franchisee each agree to take such further actions as may be required to effectuate the terms and conditions of this Agreement, including any and all actions that may be required or contemplated by the Former Franchise Agreement.

11. Affiliates. When used in this Agreement, the term "**Affiliates**" has the meaning as given in Rule 144 under the Securities Act of 1933.

12. Miscellaneous. This Agreement may not be changed or modified except in a writing signed by all of the parties hereto. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same document. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

13. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Oklahoma.

(Signatures on following page)

IN WITNESS WHEREOF, the parties have executed this Agreement under seal, with the intent that this be a sealed instrument, as of the day and year first above written.

FRANCHISOR:

COOKIE ADVANTAGE, INC.

By: _____

Printed Name: _____

Title: _____

FORMER FRANCHISEE:

By: _____

Printed Name: _____

Title: _____

NEW FRANCHISEE:

By: _____

Printed Name: _____

Title: _____

Rev. 031821

State of _____

County of _____

The foregoing instrument was sworn to and subscribed before me this _____ day of _____,
20__, by _____.
name of signer

{Notary Seal}

Signature of Notary Public

Printed Name of Notary Public

My commission expires

EXHIBIT H-5

COOKIE ADVANTAGE FRANCHISE

LEASE ADDENDUM

This Addendum to Lease (“**Addendum**”), dated _____, 20____, is entered into by and between _____ (“**Landlord**”), _____ (“**Tenant**”) and Cookie Advantage, Inc. (“**Franchisor**”), collectively referred to herein as the “**Parties.**”

A. Landlord and Tenant have entered into a certain Lease Agreement dated _____, 20____, and pertaining to the premises located at _____ (“**Lease**”).

B. Landlord acknowledges that Tenant intends to operate a franchised business from the leased premises (“**Premises**”) pursuant to a Franchise Agreement (“**Franchise Agreement**”) with Franchisor under Franchisor’s trademarks and other names designated by Franchisor (herein referred to as “**Franchised Business**” or “**Franchise Business**”).

C. The parties now desire to supplement the terms of the Lease in accordance with the terms and conditions contained herein.

NOW, THEREFORE, it is hereby mutually covenanted and agreed among the Parties as follows:

1. Use of the Premises. During the term of the Franchise Agreement, the Premises shall be used only for the operation of the Franchised Business.

2. Franchise System. Landlord hereby consents to Tenant’s use of such proprietary marks, signs, interior and exterior décor items, color schemes and related components of the Franchised Business required by Franchisor. Tenant's use of such items shall at all times be in compliance with all applicable laws, ordinances, rules and regulations of governmental authorities having jurisdiction over the Premises.

3. Assignment. Tenant shall have the right, without further consent from Landlord, to sublease or assign all of Tenant’s right, title, and interest in the Lease to an assignee of the Tenant or the Franchised Business (“**Franchise Assignee**”) at any time during the term of the Lease, including any extensions or renewals thereof. In addition, if Tenant fails to timely cure any default under either the Lease or the Franchise Agreement, Franchisor or a Franchise Assignee that Franchisor designates, will, at its option, have the right, but not the obligation, to take an assignment of Tenant’s interest under the Collateral Assignment of Lease or other form of assignment and assumption document reasonably acceptable to Landlord, provided such Franchise Assignee cures a default of the Lease no later than ten days following the end of Tenant’s cure period. No assignment shall be effective until: (i) a Franchise Assignee gives Landlord written notice of its acceptance of the assignment and assumption of the Lease; and (ii) Tenant or the Franchise Assignee has cured all material defaults of the Lease for which it has received notice from Landlord. Nothing contained herein or in any other document shall create any obligation or liability of Franchisor, any Franchise Assignee, or guarantor thereof under the Lease unless and until the Lease is assigned to, and accepted in writing by a Franchise Assignee. In the event of any assignment or purported assignment under this Addendum, Tenant shall remain liable under the terms of

the Lease and the assignee or subtenant shall retain all of the Tenant's rights granted in the Lease including without limitation: (x) any grant of a protected territory or use exclusivity; and (y) the renewal or extension of the Lease term. With respect to any assignment proposed or consummated under this Addendum, Landlord hereby waives any rights it may have to: (A) recapture the Premises; (B) terminate the Lease; or (C) modify any terms or conditions of the Lease. If Franchisor accepts an assignment and assumes the Lease under this section, Franchisor shall have the right to further sublet or reassign the Lease to another Franchise Assignee without Landlord's consent in which event Franchisor shall be released from any obligation or liability under the Lease. As used in this Addendum, "**Franchise Assignee**" means: (i) Franchisor or Franchisor's parent, subsidiary, or affiliate; or (ii) any franchisee of Franchisor or of Franchisor's parent, subsidiary, or affiliate.

4. Default and Notice.

a. If Tenant defaults on or breaches the Lease and Landlord delivers a notice of default to Tenant, Landlord shall contemporaneously send a copy of such default notice to Franchisor. Franchisor shall have the right, but not the obligation, to cure the default during Tenant's cure period plus an additional ten (10) day period. Franchisor will notify Landlord whether it intends to cure the default prior to the end of Tenant's cure period.

b. All notices to Franchisor shall be sent by ~~registered or certified mail~~ reputable overnight delivery service, postage prepaid, to the following address:

Cookie Advantage, Inc.
7 North Armstrong
Bixby, OK 74008

Franchisor may change its address for receiving notices by giving Landlord written notice of the new address. Landlord agrees that it will notify both Tenant and Franchisor of any change in Landlord's mailing address to which notices should be sent.

c. Tenant and Landlord agree not to terminate, or materially amend the Lease during the term of the Franchise Agreement or any renewal thereof without Franchisor's prior written consent. Any attempted termination, or material amendment shall be null and void and have no effect as to Franchisor's interests thereunder; and a clause to the effect shall be included in the Lease.

5. Termination or Expiration.

a. If Franchisor does not elect to take an assignment of the Tenant's interest, Landlord will allow Franchisor to enter the Premises, without being guilty of trespass and without incurring any liability to Landlord, to remove all signs, awnings, and all other items identifying the Premises as a Franchised Business and to make other modifications (such as repainting) as are reasonably necessary to protect the Franchisor's trademarks and franchise system and to distinguish the Premises from a Franchised Business provided that Franchisor repairs any damage caused to the Premises by exercise of its rights hereunder.

b. If any Franchise Assignee purchases any assets of Tenant, Landlord shall permit such Franchise Assignee to remove all the assets being purchased, and Landlord waives any lien rights that Landlord may have on such assets.

6. Consideration; No Liability.

a. Landlord acknowledges that the Franchise Agreement requires Tenant to receive Franchisor’s approval of the Lease prior to Tenant executing the Lease and that this Addendum is a material requirement for Franchisor to approve the Lease. Landlord acknowledges Tenant would not lease the Premises without this Addendum. Landlord also hereby consents to the Collateral Assignment of Lease from Tenant to Franchisor as evidenced by Attachment 1.

b. Landlord further acknowledges that Tenant is not an agent or employee of Franchisor, and Tenant has no authority or power to act for, or to create any liability on behalf of, or to in any way bind Franchisor or any Franchise Assignee, and that Landlord has entered into this with full understanding that it creates no duties, obligations, or liabilities of or against any Franchise Assignee.

7. Amendments. No amendment or variation of this Addendum shall be valid unless made in writing and signed by the Parties hereto.

8. Reaffirmation of Lease. Except as amended or modified herein, all of the terms, conditions, and covenants of the Lease shall remain in full force and effect and are incorporated herein by reference and made a part of this ~~Agreement~~Addendum as though copies herein in full.

IN TESTIMONY WHEREOF, witness the signatures of the Parties hereto as of the day, month, and year first written above.

LANDLORD:

TENANT:

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

FRANCHISOR:

By: _____

Printed Name: _____

Title: _____

Rev. 11/26/19022324

EXHIBIT H-5 Attachment 1

ATTACHMENT 1 TO LEASE ADDENDUM

COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, as of the ___ day of _____, 20__ (“**Effective Date**”), the undersigned, _____ (“**Assignor**”) hereby assigns, transfers and sets over unto _____ (“**Assignee**”) all of Assignor’s right, title, and interest as tenant, in, to and under that certain lease, a copy of which is attached hereto as **Exhibit A (“Lease”)** with respect to the premises located at _____. This Collateral Assignment of Lease (“**Assignment**”) is for collateral purposes only and except as specified herein, Assignee shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment unless Assignee expressly assume the obligations of Assignor thereunder.

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

Upon a default by Assignor under the Lease or under that certain franchise agreement for a franchise between Assignee and Assignor (“**Franchise Agreement**”), or in the event of a default by Assignor under any document or instrument securing the Franchise Agreement, Assignee shall have the right and is hereby empowered, in Assignee’s sole discretion, to: (i) cure Assignor’s default of the Lease; (ii) take possession of the premises demised by the Lease; (iii) expel Assignor from the premises, either temporarily or permanently; (iv) terminate ~~Assignee’s~~ Assignor’s rights, title, and interest in the Lease; and/or (v) assume the Lease. If Assignee expends sums to cure a default of the Lease, Assignor shall promptly reimburse Assignee for the cost incurred by Assignee in connection with such performance, together with interest thereon at the rate of two percent (~~2%~~) per month, or the highest rate allowed by law.

Assignor agrees it will not suffer or permit any surrender, termination, amendment, or modification of the Lease without the prior written consent of Assignee. Through the term of the Franchise Agreement and any renewals thereto, Assignor agrees that it shall elect and exercise all options to extend the term of or renew the Lease not less than 30 days before the last day that said option must be exercised, unless Assignee otherwise agrees in writing. Upon failure of Assignee to otherwise agree in writing, and upon failure of Assignor to so elect to extend or renew the Lease as stated herein, Assignor hereby irrevocably appoints Assignee as its true and lawful attorney-in-fact, which appointment is coupled with an interest to exercise the extension or renewal options in the name, place, and stead of Assignor for the sole purpose of effecting the extension or renewal.

(Signatures on following page)

IN WITNESS WHEREOF, Assignor and Assignee have signed this Collateral Assignment of Lease as of the Effective Date first above written.

ASSIGNOR:

By: _____

Printed Name _____

Its: _____

ASSIGNEE:

By: _____

Printed Name _____

Its: _____

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State of _____

County of _____

The foregoing instrument was sworn to and subscribed before me this _____ day of _____, 20__, by _____:
name of signer

{Notary Seal}

Signature of Notary Public

Printed Name of Notary Public

My commission expires

EXHIBIT H-6

AUTOMATED CLEARING HOUSE PAYMENT AUTHORIZATION FORM

Franchisee Information:

Franchisee Name	Business No.
Franchisee Mailing Address (street)	Franchisee Phone No.
Franchisee Mailing Address (city, state, zip)	
Contact Name, Address and Phone number (if different from above)	
Franchisee Fax No.	Franchisee Email Address

Bank Account Information:

Bank Name		
Bank Mailing Address (street, city, state, zip)		
<input type="checkbox"/> Checking <input type="checkbox"/> Savings		
Bank Account No.	(check one)	Bank Routing No. (9 digits)
Bank Mailing Address (city, state, zip)	Bank Phone No.	

Authorization:

Franchisee hereby authorizes Cookie Advantage, Inc. (“Franchisor”) to initiate debit entries to Franchisee’s account with the Bank listed above, and Franchisee authorizes the Bank to accept and to debit the amount of such entries to Franchisee’s account. Each debit shall be made from time to time in an amount sufficient to cover any fees payable to Franchisor pursuant to any agreement between Franchisor and Franchisee as well as to cover any purchases of goods or services from Franchisor or any affiliate of Franchisor. Franchisee agrees to be bound by the National Automated Clearing House Association (NACHA) rules in the administration of these debit entries. Debit entries will be initiated only as authorized above. This authorization is to remain in full force and effect until Franchisor has received written notification from Franchisee of its termination in such time and in such manner as to afford Franchisor and the Bank a reasonable opportunity to act on it. Franchisee shall notify Franchisor of any changes to any of the information contained in this authorization form at least 30 days before such change becomes effective.

Signature: _____ Date: _____
Name: _____
Its: _____

Federal Tax ID Number: _____

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NOTE: FRANCHISEE MUST ATTACH A VOIDED CHECK RELATING TO THE BANK ACCOUNT.

EXHIBIT I

STATE EFFECTIVE DATES

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
Illinois	April 28, 2023 pending
Indiana	August 27, 2022, Renews August 27, 2023 pending
Maryland	May 31, 2023 pending
Michigan	May 18, 2023 pending
Minnesota	Pending pending
New York	June 5, 2023 pending
North Dakota	Pending pending
Rhode Island	June 15, 2022, Renews June 15, 2023 pending
South Dakota	May 1, 2023 pending 2023
Virginia	May 1, 2023 pending 2023
Washington	Pending pending
Wisconsin	April 25, 2023 pending 2023

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.

EXHIBIT J

RECEIPT

**RECEIPT
(Retain This Copy)**

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 Advantage, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Under Iowa law, if applicable, Cookie Advantage, Inc. must provide this disclosure document to you at your first personal meeting to discuss the franchise. Michigan requires Cookie Advantage, Inc. to give you this disclosure document at least ten business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. New York requires you to receive this disclosure document at the earlier of the first personal meeting or ten business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Cookie Advantage, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency identified on Exhibit A.

The name, principal business address, and telephone number of each franchise seller offering the franchise is:
Duane Carns, 7 North Armstrong, Bixby, Oklahoma 74008; Telephone: (918) 369-4777
Kim Carns, 7 North Armstrong, Bixby, Oklahoma 74008; Telephone: (918) 369-4777

Issuance Date: ~~April 25, 2023~~ March 26, 2024

I received a disclosure document issued ~~April 25, 2023~~ March 26, 2024 which included the following exhibits:

- Exhibit A List of State Administrators/Agents for Service of Process
- Exhibit B Financial Statements
- Exhibit C Franchise Agreement
- Exhibit D Franchise Disclosure Questionnaire
- Exhibit E Confidential Operations Manual Table of Contents
- Exhibit F List of Current and Former Franchisees
- Exhibit G State Addenda and Agreement Riders
- Exhibit H Contracts for use with the Cookie Advantage Franchise
- Exhibit I State Effective Dates
- Exhibit J Receipt

Date Signature Printed Name

Date Signature Printed Name

Rev. 012417

PLEASE RETAIN THIS COPY FOR YOUR RECORDS.

**RECEIPT
(Our Copy)**

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 Advantage, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

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- Exhibit I State Effective Dates
- Exhibit J Receipt

Date Signature Printed Name

Date Signature Printed Name

Rev. 012417

Please sign this copy of the receipt, date your signature, and return it to Cookie Advantage, Inc., 7 North Armstrong, Bixby, OK 74008.