

FRANCHISE DISCLOSURE DOCUMENT

Paris Baguette Family Inc a Delaware corporation 6100 South Malt Avenue Commerce, California 90040 (562) 946-2010 http://www.parisbaguetteusa.com

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PARISABAGUETTE

The franchise is for the establishment and operation of a store that offers a variety of fresh baked goods, pastries, cakes, sandwiches, coffee, food, beverages, and other products and related goods compatible with our concept (the "Store")

The total investment necessary to begin operation of a Paris Baguette Store is between \$655,500 to \$1,865,000. This includes the \$50,000 initial franchise fee that must be paid to the franchisor. If you sign a Development Agreement, you pay a development fee equal to \$50,000 for the first Store to be developed plus 50% of the initial franchise fee for each additional. Store to be developed. The portion of the development fee paid for each Store will be credited against the initial franchise fee due for that franchise.

This disclosure document summarizes certain provisions of your Franchise Agreement and Development Agreement, and any 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 Carl Kim at 6100 South Malt Avenue, Commerce, California 90040 and (562) 946-2010

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

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

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

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STATE COVER PAGE

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

Call the state franchise administrator listed in $\underline{Exhibit\ G}$ for information about the franchisor or about franchising in your state

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

Please consider the following RISK FACTORS before you buy this franchise

- THE FRANCHISE AND DEVELOPMENT AGREEMENTS REQUIRE YOU TO MEDIATE AND ARBITRATE ONLY IN DELAWARE AND SUE US ONLY IN DELAWARE OR IN THE FEDERAL DISTRICT COURT FOR THE STATE OF DELAWARE OUT OF STATE MEDIATION, ARBITRATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST MORE TO MEDIATE, ARBITRATE OR LITIGATE IN DELAWARE THAN IN YOUR HOME STATE
- THE FRANCHISE AND DEVELOPMENT AGREEMENTS REQUIRE THAT DELAWARE LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW YOU MAY WANT TO COMPARE THESE LAWS
- WE MAY REQUIRE THE SPOUSES AND OWNERS AND PRINCIPALS OF THE FRANCHISEE SIGN A PERSONAL GUARANTY UNDER WHICH THE SPOUSE WILL BE JOINTLY AND SEVERALLY LIABLE FOR OBLIGATIONS OF THE FRANCHISEE WHETHER OR NOT THE SPOUSE IS INVOLVED IN THE OPERATION OF THE STORE THIS REQUIREMENT PLACES THE PERSONAL ASSETS OF THE FRANCHISE OWNER AND THE SPOUSE AT RISK
- 4 THE FRANCHISE AGREEMENT REQUIRES YOU TO PAY LIQUIDATED DAMAGES IF YOUR FRANCHISE AGREEMENT IS TERMINATED FOR CAUSE
- 5 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

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

See the following state effective date summary page for state effective dates

FRANCHISE PANDA.com

STATE EFFECTIVE DATES

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

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws if an effective date is noted below for the state

California	Pending
Hawaii	Pending
New York	Pending
Virginia	Pending

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