

## SAUCER'S AGREEMENT

The following is a licensing agreement between SAUCERS (herein known as the LEASOR) and \_\_\_\_\_ and \_\_\_\_\_, (herein know as the LEASEE.)

The store location where the Saucer's Lease Package shall be exclusively used has been selected by the LEASEE only and is located at:

\_\_\_\_\_ and for the initial period of 2 years from: \_\_\_\_\_ to \_\_\_\_\_.

The LEASEE agrees to lease the following copy written, trade marked and registered materials for use only at the above single location only for the period of time above. (This agreement may be renewed indefinitely as long as both parties agree that no portion of this agreement has been broken as described herein in 2 year increments by the LEASEE with *no additional fees required* .by the LEASEE.)

The Saucer's Lease Package, for the above location, includes the following leased materials which are the property of the LEASOR for which the LEASEE agrees to pay one-time only lease fee in the amount of \$ \_\_\_\_\_ for:

US Copy Written CD-ROM Art Work, Recipes and Instruction Materials, US Copy Written Video Training Materials, US Patent and Trademark Office Logos (SERIAL # 76/ 499,142) all herein known as the Saucer's Lease Package. It is agreed by the LEASEE that all of the above items cannot be reproduced for any other location or can be used by any other party in any form other than at the above single location unless it is for advertising purposes at the above location.

The LEASEE agrees to return all materials in the Saucer's Lease Package upon sale, transfer or for any other reason that finds the LEASEE ceasing business to the LEASOR.

The LEASEE is not obligated in any form or at any time to make any type of monthly lease fees or payments of any kind or be subjected to any controls whatsoever by the LEASOR as agreed upon herein. The onetime lease fee listed above is the only fee.

The LEASEE agrees to use the leased materials in the Saucers™ Lease package with the understanding that they are for the LEASEES use only, at the above location only in order to conduct business at the above location only for as long as the location is open.

The LEASEE understands and agrees any additional locations will require an additional lease fee for a new Saucer's Lease Package which will require the written consent from the LEASOR and the same fee for the materials of (\$3,900.00) for any additional location that the LEASEE may wish to also open. The exception is the closing of the above location and it's relocating to another location.

The LEASEE understands that all of the materials, written, video, and computer software or on CD are copy written and / or trademarks of the LEASORS (SAUCERS™ ROUNDS) and cannot be copied, reproduced, resold or used in any form to loan out, sell or lease to any other party without written permission by the LEASORS.

Additionally:

- 1) The LEASEE agrees to notify the LEASOR in writing two weeks prior to closure of the business at which time the LEASEE agrees to return all of the leased materials to the LEASOR at the LEASOR'S expense via UPS within 10 (ten) days of closure.
- 2) The LEASEE agrees to notify the LEASOR in writing two week prior to any relocation or sale of the business at which time the LEASEE agrees to return all of the leased materials to the LEASOR at the LEASOR'S expense via UPS.
- 3) The LEASEE agrees, in the event a sale of the business location occurs, that a condition of that sale include a new written agreement with the new owners who do not have the right to any of the items in the Saucer's Lease Package. A new contract must be entered into between Saucers and the new owners from that sale.
- 4) The LEASEE agrees either return all materials of the LEASEE'S Saucer's Lease Package prior to the sale of the business at the location mentioned in this agreement or to send a written notification via UPS to the LEASOR of the intent of the new LEASEES to enter into a separate agreement with the LEASOR as to maintain and use the leased copy written and trademarked materials prior to the sale of the business.
- 5) The LEASEE can sell the business but not the protected Saucer's Lease Package, its copy written materials or use of the trademark.

The LEASOR will provide specific written materials as listed in this Saucer's Lease Package and as accepted by the LEASEE.

The LEASOR offers no guarantees and takes no responsibility or liability in whole or in part to the success or failure of the day-to-day operation of the LEASEE'S business or location.

The LEASOR cannot and will not project daily, weekly, monthly or annual sales.

The LEASOR is not available for advise, consulting or recommendations at anytime past the date of this contract.

The LEASEE can alter Saucer's products and ingredients as provided in the specific recipes but understands the quality and cooking perimeters will affect the product and

may cause the Rounds to be undercooked or create a vast number of problems to the quality of the product as specifically provided and as shown in the leased video, written recipes and other cooking materials as found in the specific recipes. The LEASEE agrees and understands this and does not hold the LEASOR responsible in any way even if the product is made as described, herein and the LEASEE'S store is unsuccessful.

The LEASOR can only provide the Saucer's Lease Package in good faith and cannot be held responsible for the results; profits or losses realized by the LEASEES for using the enclosed materials that is the Saucer's Lease package.

The LEASOR cannot and will not offer suggestions or guidance beyond what is described in this agreement and outlined in this agreement.

The LEASEE agrees not to contact the LEASOR for future questions or assistance, beyond any notifications mentioned in this agreement or defective video, CD or written material from a printing standpoint, understanding the LEASOR cannot offer any business assistance which is not promised or part of any portion of this agreement.

The LEASOR'S representative will only be available for questions during an agreed to time period from: \_\_\_\_\_ to \_\_\_\_\_ for pre-opening assistance to the LEASEE and only when contacted is initiated by the LEASEE to the LEASOR'S representative. No assistance is provided after the above mentioned dates.

A Saucer's representative will be made available by message phone from 11am PST to 6 PM PST from the agreed upon dates of \_\_\_\_\_ to \_\_\_\_\_, Monday-Friday, excluding holidays to answer any pertinent questions as to specifics listed in the Saucer's Lease package below. Calls will be returned from a LEASOR representative as soon as possible never to exceed 48 hours to the LEASEE.

The LEASOR cannot be held responsible for any opinion or suggestion expressed by any of its representatives over the phone or in person in attempts to assist to answer questions posed by the LEASEE. The LEASEE understands they will ultimately make their own determination regarding any opinions or suggestions and that any and all decisions based on conversations with the LEASOR and its representatives are solely the responsibility of the LEASEE. This agreement is only valid up to the opening of the store listed above. The LEASOR'S obligation ceases upon the opening of the store address listed above.

The LEASEE'S success or failure of their business is in no way the responsibility of the LEASOR or any of its representatives. The LEASEE agrees not to hold The LEASOR responsible for any one item or combination of items including but not limited to recipes, equipment, logos and written or verbal information provided by the LEASOR to the LEASEE. The above mentioned assistance is limited to and agreed to the following items and will be limited to the dates above as follows:

ITEM 1.) Site Selection Opinions:

This is entirely up to the LEASEE'S planning representative and the LEASEE. The LEASOR will offer a one time only opinion to any requesting LEASEE. The LEASOR is not responsible for the success of or the failure of the site selection which ultimately the decision of each individual LEASEE or the representative.

ITEM 2.) Suggested Equipment:

All Saucers' recipes require specific cooking parameters. We can only strongly suggest the Lincoln Impinger oven Model # 1301 or 1302 be purchased or leased for these items. Suggestions on other recommended equipment such as the True TSSU-48-12 Prep Table and other refrigeration equipment are available in this Saucer's Lease Package. The LEASOR is not responsible for any guarantees on the equipment suggestions.

The LEASOR has strongly suggested the Lincoln ovens. Specific electrical parameters must be met by the LEASEE for each commercial oven location. The LEASEE UNDERSTANDS THAT ALL OF THE RECIPES AND THE COOKING PARAMETERS WERE PRECISELY DEVELOPED WITH THE OVEN LISTED ABOVE. The LEASEE also understands they are responsible to acquire the precise electrical service, either, 208 or 240, as well as any other necessities required by city, county or state agencies such as, but not limited to, health, fire or building departments for any of the above ovens. Any electrical work is the responsibility of the LEASEE and not the LEASOR.

It is further understood that The LEASOR does not take responsibility for determining how many ovens a store may need which is based on its volume of sales and contingent upon any state, federal, county or local police building or fire department requirements.

Although most commercial situations have been pre wired for, 208 or 240, the LEASEE understands there may be necessary electrical work required depending on each commercial situations and store. Each LEASEE agrees to consider not only the store type but to completely investigate their desired location and the electrical service thoroughly as a tenant.

Adjustments to any existing service or the addition for any new service or equipment by the governing municipalities are the sole cost of the LEASEE. Oven exemptions regarding individual state, county or city hood requirements should be thoroughly investigated by the LEASEE and placed in writing by these governing agencies before signing any agreements as a tenant as obvious good business practice.

ITEM 3.) Written and Video Training Guidelines for:

- a) The use, care and cleaning of a Lincoln oven. All ovens have standard commercial warranties of one year through the manufacturer. The LEASOR is not responsible for any guarantees or warranties of ovens.
- b) The ordering suggestions are included in the Saucer's Lease Package. Saucer's recipe products as well as all necessary ingredients in the specific recipes required to successfully mix and prepare the sauces and all toppings for all of the 32 international Saucers Rounds are included in this Saucer's Lease Package.
- c) The specific method and application of all food products to the Rounds to successfully make each of the 32 Saucers Rounds also specifically listed with Saucers explicit formulas. (The LEASEE understands adhering to these formulas as best as possible is the most prudent business plans in the event the LEASOR makes the "Saucers" trademark a franchise and a national chain.)
- d) It is suggested that all of the 32 Saucers recipes should be made as closely as possible maintaining quality control and consistency in the basic formulas of our specific recipes for all 32 Saucers Rounds.
- e) The specific staff training, as determined by the individual LEASEE. They should obviously be based upon the training received by the LEASEE at a Saucer's Pilot Store or Kitchen as well as one's previous experience in food service industry and of the experience of the employee hired. Whether a management position or a staff worker, a LEASEE'S employee should be successfully educated via training guidelines provided.
- f) The recommendations for equipment purchasing outlined here are only suggestions. It is suggested that of the four stores, A and B should have two ovens available not only for the potential volume of business before potential downtime or repairs to any one oven. Each oven's conveyor belt will hold 10 Rounds at one time and accept new Rounds for baking every 50 seconds at the "Beginning end of the oven's belt.

#### ITEM 4.) Precise Recipes:

To maintain consistency in Saucers product, all recipes have been designed specifically to allow you to train your staff to expeditiously make the product in a manner that will allow proper cooking parameters to take place for all specific recipes.

#### ITEM 5.) Store Layout, Design and Signage Suggestions:

The LEASOR'S representative is available for answering questions and to offer suggestions as to your store layout and design after a site is acquired by the LEASEE. The LEASOR has provided all necessary logo, trademark and printing specifications to be taken the LEASEE'S printer, landlord leasing company or sign company of choice. The LEASEE agrees to review all printable materials within 10 days of the execution of this contract with a printer of the LEASEE'S choosing to see that all materials included in this, the Saucer's Lease Package are reprint able and changeable to fit the final needs of the LEASEE.

#### ITEM 6.) Training and Food Prep Videos:

Along with a Saucers representative providing complete training videos for all management and staff positions, all LEASEE will be given specific details regarding quality control to optimize their store's potential. The greatest opportunity for any business to succeed is greatly increased by agreeing to adhere as closely as possible to the 32 specific formulas or recipes. Only through consistencies in this regard will Saucers prosper nationwide. We hope you will consider using our suggestions and formulas.

ITEM 7.) Purchasing Recommendations:

All food products, to successfully make your specifically detailed recipes from the LEASOR can be ordered from a variety of nation wide food sources as well as your local grocery chain. Amounts for your pre-cooked meat products, cheeses, spices, seasoning and other ingredients are found in the Saucer's Lease Package as suggestions for your initial order and for determining how much to order based on the daily weekly and monthly income as your store dictates based on opening volume parameters. We suggest a \$3.99 to \$4.99 base price of all 32 Saucers Rounds.

It is the responsibility of the LEASEE to verify and open accounts with your local food distributor accessible in your area as well as with local grocers to purchase approved products acceptable to any local environmental health department. A complete list of food products and recommended sources are provided.

It is understood by the LEASEE that they must secure a source or sources for food product via distribution sources as offered in the form of suggestions to best make all 32 Saucer Rounds. These precise standards are to assist in providing the best possible product as well as eliminate potential food waste as offered and detailed with their individual weights and measurements. They are only suggestions.

All contacts should be made to:

SAUCERS™  
P.O. Box 261  
Hilmar, California 95324.

The LEASOR maintains the right to open locations as deemed necessary as company-owned Saucers Kitchens in a location to be at least three miles from an existing location with the Saucer's Product.

The LEASEE understands that The LEASOR may open within a nationally recognized chain or a chain with 300 or more locations. This includes does not limited to various corporate entities such as i.e.: Target, McDonalds, Burger King, Wal-Mart, theater chains, 711, Starbucks, Barnes & Noble, excreta.

