

Royal Kids
I.D.P



Information Document Precontractual
Royal Kids
P.I.D
PRECONTRACTUAL INFORMATION DOCUMENT
FRANCHISE CONTRACT
C.COM.,ART.L.330-3

BETWEEN

The **SARL ROYAL KIDS**,
Located at 120,rue Jean Dausset - 84140 AVIGNON MONTFAVET
Registered with the Avignon Trade and Companies Register under number 505
346 551 00011
Represented by Mr. Manuel GORDILLO, Manager

Hereinafter referred to as
"The franchisor"

AND

The **SARL XXXXXXXXXXXX**
Located at XXXXXXXXXXXX
Registered with the Trade and Companies Register (Company in the process
of registration)
Represented by Mr.

Hereinafter referred to as
"The Franchisee"

AND

Mr.
Born on
Located at

Hereinafter referred to as
"The FRANCHISEE" OR "THE ENTREPRENEUR"

C. COM. ARTICLE L. 330-3:

The legal obligation to provide a pre-contractual information document (DIP) is derived from Article L. 330-3 of the Code of Commerce, resulting from Law No. 89-1008 of December 31, 1989, supplemented by Decree No. 91-337 of April 4, 1991, literally transcribed:

C. com. art. L. 330-3:

"Any person who makes available to another person a business name, a trademark or a signboard, by requiring an exclusivity or quasi-exclusivity commitment for the exercise of their activity, is required, prior to the signing of any contract concluded in the common interest of both parties, to provide the other party with a document containing sincere information, allowing them to make an informed decision.

This document, the content of which is determined by decree, specifies in particular the seniority and experience of the company, the state and prospects of development of the relevant market, the size of the network of operators, the duration, conditions of renewal, termination and transfer of the contract, as well as the scope of exclusivity.

When a payment is required prior to the signing of the aforementioned contract, in particular to obtain the reservation of a zone, the services provided in exchange for this payment are specified in writing, as well as the reciprocal obligations of the parties in case of withdrawal.

The document provided for in the first paragraph and the draft contract are communicated at least twenty days before the signing of the contract, or, if applicable, before the payment of the amount mentioned in the previous paragraph."

Decree No. 91-337 of April 4, 1991, Art. 1:

"The document provided for in the first paragraph of Article L. 330-3 of the Commercial Code must contain the following information:

1° The address of the company's headquarters and the nature of its activities, with an indication of its legal form and the identity of the company's head if it is a natural person, or the directors if it is a legal person; if applicable, the amount of the capital;

2° The registration number in the trade and companies register or the registration number in the trades directory, as well as the date and number of registration or deposit of the trademark and, in the case where the trademark that is the subject of the contract has been acquired through a transfer or a license, the date and number of the corresponding registration in the national register of trademarks, with an indication of the duration for which the license was granted;

3° The bank domiciliation(s) of the company. This information may be limited to the five main bank domiciliation;

4° The date of creation of the company with a reminder of the main stages of its development, including that of the network of operators, if applicable, as well as any information allowing the professional experience acquired by the operator or the directors to be assessed.

The information mentioned in the previous paragraph may only cover the last five years preceding the delivery of the document. They must be supplemented by a presentation of the general and local state of the market for the products or services that are the subject of the contract and the development prospects of this market.

The annual accounts for the last two financial years or, for companies making public appeals for savings, the reports drawn up for the last two financial years

in accordance with the third paragraph of Article L. 232-7 of the Commercial Code must be attached to this part of the document;

5° A presentation of the network of operators which must include:

a) The list of companies that are part of it, with an indication for each of them of the agreed mode of operation;

b) The address of the companies established in France with which the person proposing the contract is bound by contracts of the same nature as the one being considered for conclusion; the date of conclusion or renewal of these contracts is specified;

When the network has more than fifty operators, the information mentioned in the previous paragraph is only required for the fifty companies closest to the location of the planned operation;

c) The number of companies which, being bound to the network by contracts of the same nature as the one being considered for conclusion, have ceased to be part of the network during the year preceding the issue of the document. The document must specify whether the contract has expired or has been terminated or cancelled;

d) If applicable, the presence, in the activity zone of the planned location referred to in the proposed contract, of any establishment in which the products or services that are the subject of the contract are offered, with the express agreement of the person proposing the contract;

6° The indication of the duration of the proposed contract, the renewal, termination and transfer conditions, as well as the scope of exclusivity.

Translate this text into English: Therefore, anyone who provides another person with a brand and requires them to commit to exclusivity for their business must first provide the other party with a document containing truthful information that allows them to make an informed decision before signing any contract in the mutual interest of both parties.

As a result, the company ROYAL KIDS provides the following information regarding the proposed contract.

Mr. or Mrs. acknowledges being in possession of the informational document, expressly attesting that the LLC **ROYAL KIDS** has fulfilled its obligations. They also state that they received this information within the legal timeframe in order to make an informed decision.

It is here specified, as attested by the franchisee, that this informational document and its annexes are strictly confidential and are being provided to **Mr. or Mrs.** Consequently, **Mr. or Mrs.** agrees to keep this information confidential and not disclose, in any way, the documents that were given to them for the purpose of forming the contract.

This obligation of confidentiality would also apply to **Mr. or Mrs.** even if, after consideration, they decide not to sign the proposed contract.

The obligation of confidentiality also applies to all individuals related to the franchisee who may have knowledge of the franchise project or the documents related to it, as well as to those who, due to their position within the company or for any other reason, have access to these documents. **Mr. or Mrs.** would be held liable towards the company **ROYAL KIDS** in the event of disclosure of this informational document and its annexes by these individuals.

Mr. or Mrs. declares to have full knowledge of these provisions.

II. INFORMATION ABOUT THE COMPANY

II.1 ABOUT THE COMPANY ROYAL KIDS

Name: **ROYAL KIDS company**
Headquarters address: **120, rue Jean Dausset AVIGNON (84000)**
Legal form: **Limited Liability Company**
Amount of share capital: **11,400 €EUROS**
Registration number in the Trade and Companies Register:
RCS d'AVIGNON under number B 505 346 551 00011

Nature of the company's activities:

The company **ROYAL KIDS** is mainly involved in creating and developing indoor, air-conditioned play areas for children under 12, where they have access to many recreational activities in a safe environment under the **ROYAL KIDS** brand (children's amusement park with entertainment, organization of birthday parties, rental of event space, sale of non-alcoholic drinks and sandwiches, etc.).

Therefore, the company **ROYAL KIDS** has a good understanding of the market for play areas and has developed commercial, financial, and technical methods to maximize the activity of children's play centers known under the brand "**ROYAL KIDS**" through a network of franchisees and their own experience.

II.2 COMPANY'S HISTORY AND EVOLUTION

In 2003, Mr. **Manuel GORDILLO** and Mr. **Jérôme FERNANDEZ** discovered the concept of children's play areas abroad, particularly in Spain.

In 2004, after studying the European market (especially in Belgium, Spain, and Italy) for the operation of play areas, Mr. Manuel GORDILLO and Mr. Jérôme FERNANDEZ adapted the concept to French legislation and regulations.

As a result, in 2005, they partnered and created the **LLC ESV**, whose purpose is to develop recreational and leisure activities. Thus, the company **ESV**, registered with the **RCS d'AVIGNON under number 482 480 653**, opened the first pilot establishment under the brand "**ROYAL PARK**" in Avignon on 500 m².

As the activity of this park met the company's expectations, they confirmed the concept in 2007 by opening a second pilot establishment under the brand "**ROYAL PARK**" in Vedène on 1,200 m².

However, after contacting the **INPI (National Institute of Industrial Property)**, the partners of **ESV**, Mr. GORDILLO and Mr. FERNANDEZ, were unable to obtain official confirmation that the name **ROYAL PARK** was free of any rights. Therefore, they decided to create and register the trademark "**ROYAL KIDS**" with the **INPI**.

Following this trademark registration, they wanted to develop a franchise or licensing network for the operation of children's play areas. Therefore, they formed a new company called "**ROYAL KIDS**."

In order to protect the future franchisees or licensees, the company "**ROYAL KIDS**" reached an agreement with Mr. GORDILLO and Mr. FERNANDEZ to transfer the trademark "**ROYAL KIDS**" so that the play areas operated under the **ROYAL KIDS** brand would have a strong identity around the concept of children's play areas. Pursuant to an assignment agreement for the trademark, logo, and design with Maître Nadal, an attorney in Montpellier.

II.3 NATIONAL MARKET STATUS

As highlighted by certain studies on leisure parks, besides the fact that they offer happiness for the whole family, leisure parks form a true global industry.

It should be noted that today, **leisure parks** are managed by a modern industry that represents the sector of recreational leisure, **which is growing globally**. This sector benefits from a favorable economic situation, allowing the whole family to gather around a playful activity. **According to the newspaper Les ECHOS, on 27.03.07, attendance is increasing by 4 to 5% per year.**

Leisure parks located in France can be divided into 3 groups: local-scale parks, regional parks, and national/European-scale parks.

The recreational park has imposed a new collective model for leisure; the arrival of a new generation of leisure parks has not only changed sports, recreational and tourist practices, but also traditional relationships with space: leisure parks are now favored by the public because they offer a "synthetic product" close to major population centers.

This simple and quick offer requires no effort from the consumer. The park, which expands significantly on the traditional notion of leisure bases, has become the easy solution for families and consumers who want to find a "global offer" immediately in their living area (conviviality, tribalism, entertainment, restaurants...) ("Les marchands de bonheur - perspectives et stratégies de l'industrie française du tourisme et des loisirs", ed. Dunod, 1991).

Finally, if non-working time increases, the available time to spend together decreases. **Leisure parks have therefore responded to this demand: to be able to be together in a clean and safe environment**, with a proposal for entertainment that is advertised as original and can be shared by all family members.

In summary, with one of the highest birth rates in Europe (INSEE), France is favorably positioned in the market of recreational leisure for children and has great prospects in this field of activity. Expenses related to leisure are constantly increasing, with a larger growth compared to other expense categories (INSEE), which allows for the integration of the indoor playground market for children in a promising context, just like the entire leisure park industry. Finally, as a consequence of the crisis, local leisure activities have been positively impacted by households' budgetary decisions.

II.4 IDENTITIES AND PROFESSIONAL EXPERIENCE OF PARTNERS

The manager of the company ROYAL KIDS is Mr. Manuel GORDILLO.

- Mr. Manuel GORDILLO, born on 09/19/1968 in SAINT PAUL LES TROIS CHATEAUX (Drôme), residing at 9 Chemin du Belvédère Les Hauts de Saint Sat in SAINT SATURNIN LES AVIGNON (84450), Married

Professional experience of MANUEL GORDILLO

1988 GSE design office (commercial space planning) employee
1993 BAZARLAND (employee at a franchisee)
1998 LA HALLE AU SOMMEIL (employee at a franchisee)
1999 to 2004 Opening of 5 LITERIE D'OR (Independent)
2005 Opening of ROYAL PARK (Independent)
2007 Opening of 2nd ROYAL PARK (Independent)

II.5 TRADEMARK, DESIGNS, MODELS AND INTERNET DOMAIN NAMES DEPOSIT

It is hereby specified that Mr. **Manuel GORDILLO** and Mr. **Jérôme FERNANDEZ** have jointly created the trademark "**ROYAL KIDS**" and have transferred all rights to the company **Royal KIDS**.

It is reminded that ownership of a trademark is acquired by registering it with the INPI; registration which takes effect from the date of filing the application for a period of ten years, indefinitely renewable (article L 712-1 of the intellectual property code).

Therefore, in order to protect the trademark and logo "**ROYAL KIDS**", Mr. **Manuel GORDILLO** and Mr. **Jérôme FERNANDEZ** have jointly filed the trademark **ROYAL KIDS** with the INPI on June 23, 2008.

According to the registration certificate, the trademark "**ROYAL KIDS**" is registered under the National number 08 3 583 798 in classes n°28, n°41 and n°43, and broadly covers products and services falling under these classes, namely:

- **Class 28:** Toys and games, balls or game balls
- **Class 41:** Amusement park, entertainment, cultural activities; leisure services; organization of birthdays, organization of competitions (education or entertainment), shows, concerts, conferences; publication of books; photocopying service; video editing.
- **Class 43:** Rental of meeting rooms; catering service, fast food; childcare; catering service (food).

According to the registration certificate, the designs and models of the trademark "**ROYAL KIDS**" are registered under the National number 08/2835.

The registration of the trademark "**ROYAL KIDS**" thus allows for the creation of a strong identity around the concept of children's playgrounds.

By means of a transfer agreement for the trademark, logo and model with Maître **Nadal**, lawyer in Montpellier, Messrs. **GORDILLO** and **FERNANDEZ** have transferred to the **SARL ROYAL KIDS** all exploitation rights for the trademark "**ROYAL KIDS**". This transfer was made to the company **ROYAL KIDS** for the entire territory and for the products and services covered by the registration of said trademark.

The following domain names have been registered on the website www.ovh.com, and all usage rights for these domain names have been transferred to the company **Royal KIDS**:

www.royalkids.fr; www.royalkids.tv; www.royalkids.be, www.royalkids.eu,
www.royal-kids.fr; www.royal-kids.tv; www.royal-kids.be, www.royal-kids.eu,
www.royalkid.fr, www.royalkid.tv, www.royalkid.be, www.royalkid.eu.
www.royal-kid.fr, www.royal-kid.tv, www.royal-kid.be, www.royal-kid.eu, www.royal-kid.com

II.6 BANK DOMICILIATION OF THE COMPANY

SMC Avignon Entreprises - 84000 AVIGNON

Bank account: 21447100200

Creation date: September 2011

R.I.B.: 30077 04854 21447100200

► The experience and success gained in these playground activities initially known under the brand name ROYAL PARK, operated by the SARL ESV of which Mr. GORDILLO and Mr. FERNANDEZ were partners, is undeniable.

Therefore, the desire and wish of SARL ROYAL KIDS, whose partners are Mr. GORDILLO and Mr. FERNANDEZ, to establish a franchise network based on the experience and success gained in this activity, thus developing a brand, a brand name and thereby constituting an original, substantial and confidential know-how, justify the establishment of a franchise network, to which the prospective franchisee declares to wish to join.

II.7 EVOLUTION AND CHARACTERISTICS OF THE ROYAL KIDS NETWORK

2003: Discovery of the concept of children's playgrounds abroad (Spain)

2004: Study of the European market, particularly the operation of playgrounds in Belgium, Italy and Spain. Adaptation of the concept to French legislation and regulations.

2005: Opening of the first pilot establishment under the brand name ROYAL PARK in Avignon on 500 m²

2007: Validation of the concept with the opening of a second pilot establishment under the brand name ROYAL PARK in Vedène on 1200 m²

2008: Unable to obtain official confirmation that the name ROYAL PARK would be free of any rights, and in order to protect the network and future franchisees, it was decided to change the brand, the network is now called ROYAL KIDS. Launch of the franchise network (6 reservation contracts currently being signed).

- Establishment of the franchise network: **2008**

- List of open franchised establishments: **42**

VEDENE - 2007

195 allée Montagnat, ZAC Chalançon I 84270 VEDENE

ISTRES - September 2009

ZI le Tubé NORD 13800 ISTRES

BAILLARGUES - December 2009

140 rue Charles Gide, 34670 BAILLARGUES

ALES - September 2010

207 rue André Boulle - 30100 ALES

LYON CHASSIEU - October 2010

54 avenue du Progrès - 69680 CHASSIEU

CLERMONT FERRAND - December 2010

7 Av. du Roussillon - 63000 AUBIERE

CABESTANY - January 2011

15 rue Michel Carré - Mas Guérido - 66330 CABESTANY

CARCASSONNE - February 2011

ZI Pont Rouge - Rue André Cayatte - 11000 CARCASSONNE

LESCAR - March 2011

Bd de l'Europe - 64230 LESCAR

BEAUCHAMP - April 2011

190 bis Chaussée Jules César - 95250 BEAUCHAMP

CAEN NORD - April 2011

Rue Marie Curie - 14200 HEROUVILLE ST CLAIR

PESSAC - July 2011

6 rue Henry le Chatelier - 33600 PESSAC

ARLES - August 2011

47 rue Nicolas Copernic - 13200 ARLES

DREUX - November 2011

49 avenue du Général Leclerc - 28100 DREUX

ELANCOURT - December 2011

ZAC de la Clé St Pierre - 78990 ELANCOURT

MACON - March 201266 rue Pouilly Vinzelles - 71000 MACON

MIRIBEL - September 2012

ZAC de Rosarge - Rue de la Dombe - 01700 MIRIBEL

BEZONS - October 2012

9 rue Charles François Daubigny - 95870 BEZONS

LA ROCHE SUR YON - October 2012

66 rue de Savary de l'Epineraye - 85000 LA ROCHE SUR YON

MONT DE MARSAN - December 2012

79 avenue de Sabres - 40000 MONT DE MARSAN

SAVIGNY - January 2013

Zi La Ponchonnière - 308 rte du bois du maine - 69210 SAVIGNY

BONNEUIL SUR MARNE - January 2013

Zac Parc des Varennes - 7 av des vingt huit Arpens - 94380 BONNEUIL

REIMS SUD - October 2013

Route Nationale 51 - 51500 CHAMPFLEURY

ST BRICE SOUS FORET - December 2013

29 rue de Piscop - 95350 ST BRICE SOUS FORET

ANTIBES - February 2014

172 avenue Weisweiller - 06600 ANTIBES

MONTGERMONT - May 2014

15 rue Edison - 35760 MONTGERMONT

ROISSY - May 2014

58 rue de la Belle Etoile - 95700 ROISSY

LAGNY SUR MARNE - September 2014

41/51 rue Jacquard - 77400 LAGNY SUR MARNE

BRIGNOLES - October 2014 (CHANGE OF OWNER)

ZAC des Consacs - Bd. B. Long - 83170 BRIGNOLES

NARBONNE - February 2015

ZI de la Plaine - 11100 NARBONNE

EVREUX - July 2015

944 Rue de Cocherel - 27000 ÉVREUX

IVRY - July 2015

10 Rue Jules Vanzuppe - 94200 IVRY-SUR-SEINE

ERAGNY - August 2015

Rue du Bouvreuil - 95610 Éragny

MAUREPAS - September 2015

3, av. Louis Pasteur - 78310 Maurepas

BUCHELAY - December 2015

1B Rue des Gamelines, 78200 Buchelay

HAUONCOURT - March 2016

ZI de Talange-Hauconcourt - 57280 Hauconcourt

ROISSY-EN-BRIE - April 2016

D21 Avenue Jean Monnet Lieudit Le Grand Etang et Rû du Moulin - 77680 Roissy-en-Brie

SAINTE-LUCE-SUR-LOIRE - February 2017

12 Rue Marcel Dassault - 44980 Sainte-Luce-sur-Loire

ST BRIEUC - February 2018

18 Rue Gustave Eiffel, 22360 Langueux

LA ROCHELLE - July 2018

20 Impasse du Soleil - 17138 Puilboreau

MARSEILLE - May 2019

191 Boulevard de la Valbarelle - 13011 Marseille

- Franchisees who left the network in the previous year: 4

- International development: 1 PARK RABAT IN MOROCCO

- List of branch(es) and subsidiary(ies): 1

SARL PARK MULHOUSE

Siren: 520 592 809

Address: ZA Napoléon Ouest

Rue d'Annecy

68110 ILLZACH

III. INFORMATION ABOUT THE FRANCHISE AGREEMENT

In addition to the communication of the franchise agreement, the necessary indications for the legal compliance of this document are set out below.

III.1 DURATION AND RENEWAL CONDITIONS

The franchise agreement is concluded for a period of **SEVEN (7) years**. It will end after **SEVEN (7) YEARS, on the anniversary date of the opening of Parc Royal Kids to the public**.

Within 6 months before its expiration, at the initiative of either party, they shall meet in order to conclude a new franchise agreement for an identical duration.

III.2 TERMINATION CONDITIONS

In case of failure by the franchisee to fulfill any of the obligations considered essential by the parties, including those related to know-how, its protection, control of its use, communication requirements, respect for the brand image of the network, insurance conditions, required confidentiality, payment of royalties and failure to resolve the dispute amicably, the franchisor may terminate the contract at its discretion, without any compensation, during the term of the contract upon reasonable notice or without notice in case of particularly serious fault. The contract will then be automatically and immediately terminated.

Similarly, failure to pay the royalties on time will result, without further formalities, in a late payment penalty equivalent to TEN percent (10%) of the amount of the unpaid royalties. Failure to regularize within one month and/or subsequent non-payment of TWO (2) royalties will result, at the discretion of the Franchisor, without any other formalities than the simple observation of this situation, in the immediate and early termination of the present contract, without prejudice to any amounts that may be due to the franchisor.

In case of termination of the contract due to the fault of the franchisee and/or, in particular, due to the non-compliance by the latter with the obligations incumbent upon him and arising from this contract, he shall be liable to pay a sum equivalent to the balance of the royalties that would have been due until the end of the contract, without prejudice to other financial claims that may be made against him by the franchisor.

III.3 CONDITIONS FOR ASSIGNMENT OF THE CONTRACT

The franchise agreement is personal in nature.

III.3.1 Right of first refusal

During the term of this contract, the Franchisee acknowledges to the Franchisor and the Licensee, or to any person chosen by the Franchisor and the Licensee to replace them, a right of first refusal at equal price and conditions in case of:

- Transfer or contribution of this contract to a company;
- Transfer or contribution of the majority of the shares or stocks of the franchisee company (except for a parent company majority owned by the franchisee): in this case, the Franchisee shall ensure compliance with this commitment by all the shareholders of the franchisee company;
- Transfer or contribution of the business attached to the franchised store, or one of its elements;
- Lease, rental management (simple or with a promise of sale), or any other equivalent agreement related to the business attached to the franchised store.

III.3.2 The Franchisee shall notify the Franchisor and/or the Licensee of any

project related to the realization of one or more of the events mentioned in Article IV.3.1.

The notification mentioned in the previous paragraph shall include:

- The commercial, legal and financial conditions under which the proposed operation may be carried out.
- These conditions may no longer be subject to counter-proposals or counter-offers other than those provided by law;
- The precise identification of the successor(s) of the Franchisee;
- A statement regarding the history and experience of the successor(s);
- A statement that the successor(s) are not directly or indirectly involved in the operation of a company or network engaged in a competing activity to the ROYAL KIDS network;
- The commitment of the successor(s) to comply with all the terms and conditions of this contract;
- The commitment of the successor(s) to attend the initial training and bear the cost of said training.

III.3.3 The Franchisor and/or the Licensee will have a period of two months, from the notification as mentioned in Article IV.3.2, to notify the Franchisee of their intention to benefit from the right of preference.

If there is no response within the aforementioned period, the Franchisor and/or the Licensee will be deemed to have waived their right to the right of preference.

In the event of the Franchisor and/or the Licensee's desire to exercise their right of preference, the planned operation will be carried out under the conditions indicated in the notification as referred to in Article 7-3-1-2 or, if applicable, taking into account the value as determined by the designated expert: the signing of the definitive agreement must take place within a period of two months following the notification in which the Franchisor and/or the Licensee indicated their intention to exercise their right of preference.

III.3.4 The Franchisor and/or the Licensee's refusal to exercise their right of preference or their failure to respond within the time period indicated in Article IV.3.3 shall not in any way be equivalent to the approval of the successor, which can only take place under the conditions defined in Articles IV.3.1 and following of this contract.

III.3.5 Approval of the successor

III.3.5.1 Given the *intuitu personae* character as defined in Article 2-1, the Franchisee may not carry out any of the operations as referred to in Article 7-3-1-1 of this contract without the express and prior approval of the successor by the Franchisor and/or the Licensee, under the terms and conditions defined below.

III.3.5.2 The Franchisor and/or the Licensee has a period of one month from the notification of the documents indicated in Article 7-3-1-2 or, if applicable, from the notice of the designated expert, to notify the Franchisee of their intention to approve the proposed successor(s) by the Franchisee.

In the event of no response from the Franchisor and/or the Franchisee within the time period mentioned in the previous paragraph, the Franchisor and/or the Licensee shall be deemed not to have approved the successor(s).

It is expressly stipulated here that, although these are separate procedures, the time periods for the procedure related to the right of preference and those for the approval procedure do not cumulate.

III.3.5.3 In the event of refusal of approval of the successor(s), and subject to the non-exercise of the right of preference, the Franchisee may either abandon their project, present new successors following the procedure as defined in Articles 7-3-1-1 and following, or terminate the contract; however, in the event of termination of the contract for refusal of approval of one or more successors, it is expressly agreed that said termination shall be considered as attributable to the Franchisee, without any penalty and with a notice period of two months.

III.3.6 In the event of the Franchisee's failure to comply with any of the

obligations imposed on them pursuant to Articles 7-3-1-1 and following and/or Articles 7-3-2-1 and following, this contract shall be terminated automatically, without prejudice to any actions that the Franchisor and/or the Licensee may deem necessary for the protection of their interests.

Moreover, the Franchisee shall be liable to the Franchisor and the Licensee for an amount equal to 75% of the actual value of the operation carried out, in order to compensate the damage suffered by the Franchisor.

The amount referred to in the previous paragraph is not subject to reduction under Articles 1152 and 1231 of the Civil Code.

III.4 TERRITORIAL EXCLUSIVITY

III.4.1 At the territorial level

The Franchisee benefits from an exclusive territory for the establishment of a ROYAL KIDS center, as determined in the appendix. They will determine the location of the ROYAL KIDS center within this territory, with the prior agreement and validation of the Franchisor and/or the Licensee.

III.4.2 In terms of supply

The franchise agreement stipulates that the Franchisee acquires, directly, the equipment used for the games exclusively and solely from the Franchisor or an entity designated by them.

By doing so, the Franchisee agrees to purchase the equipment necessary for the operation of the ROYAL KIDS center as recommended by the Franchisor and/or the Licensee.

III.4.3 In terms of professional activity

The Franchisee carries out the contract and develops a clientele in the designated territory. They are prohibited from opening another center in this territory or in any other territory

III.5 MERCHANDISES

III.5.1 Opening Kit

When opening their playground, the Franchisee must have all the merchandise recommended by the Franchisor and/or the Licensee.

The range of goods comprising the "Opening Kit" consists of products necessary for maintaining the image of the "ROYAL KIDS" network.

The franchisee must source from suppliers referenced by the Franchisor and/or the Licensee.

III.5.2 Continuous Supply

As part of the common identity and reputation of the network, the Franchisee undertakes to participate in its necessary dynamism by acquiring and maintaining a minimum assortment of contractual merchandise in their playground.

The Franchisor declares that the range is evolving and reserves the right to make necessary modifications during the contract, including abandoning outdated merchandise and/or adding new merchandise, especially based on market prices and availability of referenced suppliers, which is expressly accepted by the Licensee.

The franchisee must source from suppliers referenced by the Franchisor and/or the Licensee.

III.6 REQUIRED CONDITIONS FOR A FRANCHISEE CANDIDATE

The franchisee candidate must have an entrepreneurial spirit, knowledge of accounting, computer science, and administrative management.

They must also have good interpersonal skills, the ability to manage and run a business.

Finally, they must have a sensitivity to the childhood sector.

Required Investments:

The investment for opening a ROYAL KIDS is **approximately 500K€**, including **40K€** for entry into the network and for interior and exterior renovations of the location. This amount may vary depending on the initial condition of the location. **The personal contribution** necessary to obtain bank loans is 33% of the loan amount.

As for the play structures, they are offered for sale. The maximum amount observed for a traditional equipment is **approximately 140K€**.

IV. CONVENTION ON PRE-CONTRACTUAL INFORMATION

IV.1 The candidate franchisee receives, by these presents, as well as by the oral information given by the franchisor and/or the licensee and the answers obtained to the questions asked by him, all the preliminary and necessary information for the conclusion of this contract in strict and complete compliance with the conditions of integrity of expression of his consent.

IV.2 The candidate franchisee has received, orally and by these presents, and has been able to see or be convinced by the documents and information relating to the know-how of the ROYAL KIDS company's network.

He has been provided with a draft franchise agreement which he has fully and completely familiarized himself with, thus allowing him to know precisely the conditions and obligations of his commitment as a franchisee, as well as those of the ROYAL KIDS company.

This information is, by nature, strictly confidential and he agrees to respect it in the most absolute manner. He vouches for the respect of this commitment for his family, his collaborators, his employees or any person who may come to know them.

Failure to comply with this obligation will result, in the event of a proven infringement, in the candidate franchisee paying compensation as a penalty, set by mutual agreement at the sum of 50,000 €.

IV.3 This agreement constitutes compliance by the franchisor and/or the licensee with their obligation to provide prior information before concluding the franchise agreement. The candidate franchisee, as well as its manager, declare that they have provided all the necessary indications and information for the conclusion of this agreement.

IV.4 In the event of a dispute between the parties concerning the interpretation, conclusion or execution of this agreement, the Commercial Court of MONTPELLIER shall have jurisdiction. If necessary, the applicable law to this contract is French law.

Done in AVIGNON on ____/____/____

For ROYAL KIDS

For the candidate franchisee

For the licensee



Équipe ROYAL KIDS

Anne-Marie Gordillo

Directrice du Développement

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