ALITTLE TEA
FRANCHISE DISCLOSURE DOCUMENT

Dian Dian Food Service LLC
a Delaware limited liability company
425 West Valley Boulevard, Suite 140-505
San Gabriel, California 91776
TEL: (586) 907-4100
info@alittleteausa.com
www.alittle-tea.com/en/

We offer area development rights and single unit franchises awarding the right to operate brick-and-mortar tea shop(s) under the "ALittle Tea" trademarks and business system featuring gourmet teas, various flavored tea-based beverages, boba tea and related beverages, as well as other complementary menu items.

The total investment necessary to begin operation of an ALittle Tea Shop is $389,000 to $753,000. This includes the $62,500.00 to $85,000.00 that must be paid to the franchisor or its affiliate(s). If you want to obtain area development rights pursuant to an Area Development Agreement, you will pay a Development Fee of $7,500.00 for each additional Unit you agree to open when you sign the Area Development Agreement.

This disclosure document summarizes certain provisions of your Franchise Agreement, Area Development 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 Chih-Cheng Hsu, 425 West Valley Boulevard, Suite 140-505, San Gabriel, California 91776, (586) 907-4100, info@alittleteausa.com.

The terms of your contracts will govern your franchise relationship. Don't rely on this Disclosure Document alone to understand your contracts. Read all of your contracts carefully. Show your contracts 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, D.C. 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: January 21, 2025

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 and 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 E.
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 F includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only ALittle Tea 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 an ALittle Tea franchisee?	Item 20 or Exhibit E 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 G.

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 and area development agreement require you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in California. 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 California than in your own state.

2. **Personal Guaranty**. Franchisees must sign a personal guaranty, making you and your spouse individually liable for your financial obligations under the agreement if you are married. The guaranty will place your and your spouse's marital and personal assets at risk, perhaps including your house, if your franchise fails.

3. **Franchisor's Early Stage of Franchising**. The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

Certain states may require other risks to be highlighted. If so, check the "State Specific Addenda" pages for your state.

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

To simplify the language in this Franchise Disclosure Document ("**Disclosure Document**"), "**we**", "**us**" and "**our**" means Dian Dian Food Service LLC, dba ALittle Tea, the franchisor. "**You**" and "**your**" mean the person who buys the franchise. If the franchise will be owned by a corporation or partnership or limited liability company, "**you**" and "**your**" also mean the owners of the corporation or partners of the partnership or members and manager of the limited liability company and their spouses.

We are a Delaware limited liability company which maintains its principal place of business at 425 West Valley Boulevard, Suite 140-505, San Gabriel, California 91776. We were formed on April 30, 2024, and our agents for service of process are disclosed in Exhibit G. We have no predecessors. We do not conduct business under any other name. We do not offer franchises in any other line of business.

Our parent company is ALittle Corporation ("**ParentCo**"), a Delaware corporation, formed on August 27, 2020. ParentCo's principal place of business is at 8 The Green, Suite A, Dover, Delaware 19901. ParentCo, through its subsidiaries, owns, operates, licenses and/or franchises ALittle Tea Shops in the United States of America. ParentCo does not provide any products or services to ALittle Tea Shop franchisees.

ParentCo's parent company is True Summit Group Limited ("**True Summit**"), a company formed under the laws of Samoa, on March 10, 2020. True Summit's principal place of business is at Portcullis Chambers, P.O. Box 1225, Apia, Samoa. True Summit, through ParentCo and its other subsidiaries, owns, operates, licenses and/or franchises ALittle Tea Shops in Taiwan, China, Singapore and Vietnam. True Summit does not provide any products or services to ALittle Tea Shop franchisees.

True Summit is owned by Ken-Shen Lou, an individual whose principal place of business is 11F, No. 65, Quyun Road, Banqiao District, New Taipei City 220, Taiwan. Mr. Lou is the owner of the Marks that we describe in Item 13. Mr. Lou authorizes us to use and to sublicense Marks to our franchisees in the United States.

Our affiliate, Yi Dian Dian California LLC ("**YDD**"), is a California limited liability company which currently owns and operates three company-owned ALittle Tea Shop in California, maintains its principal place of business at 156 West Valley Boulevard, San Gabriel, California 91776. YDD was formed on April 8, 2022. YDD does not offer franchises in any line of business, and YDD does not provide any products or services to ALittle Tea Shop franchisees.

Our affiliate, ALittle Food Service California LLC ("**Food Service CA**"), is a California limited liability company with its principal place of business at 156 West Valley Boulevard, San Gabriel, California 91776. Food Service CA is an approved supplier of certain services to you. Food Service CA does not offer franchises in any line of business.

We grant franchises to establish and operate a tea shop(s) featuring gourmet teas, various flavored tea-based beverages, boba tea and related beverages, as well as other complementary menu items under the Marks and System as described in the Franchise Agreement which is attached as Exhibit A ("**Franchise Agreement**"). "**System**" means a specially developed method of operating a tea shop under the Marks using certain procedures and methods, recipes, site evaluation criteria, layouts, methods, advertising, sales and promotional techniques, personnel training, trade secrets and any other matters relating to the operation and promotion of an ALittle Tea Shop (as defined below) as they may be changed, improved, modified and further developed by us from time to time. "**Marks**" means such service marks, trademarks, trade dress, trade names, logos and commercial symbols, and all configurations and derivations, as may presently exist, or which may be modified, changed, or acquired by us, in connection with the operation of an ALittle Tea Shop. In this Disclosure Document, "**ALittle Tea Shop**" means any business which is operated under the System and Marks, whether owned by us, an affiliate of us, or a licensee or franchisee of us or an affiliate of us. You will do business under the fictitious or assumed name of "ALittle Tea" or any other name that we decide to use in the future. In this Disclosure Document, the ALittle Tea Shop you will operate according to the terms of the Franchise Agreement is referred to as the "**Franchised Tea Shop**."

This Disclosure Document describes our 2 franchise programs:

1. Single Unit Franchise Program. If we approve you as a franchisee, you may sign a Franchise Agreement, in the form attached as Exhibit A, to operate a single ALittle Tea Shop. In no event will you be a franchisee until we have signed a Franchise Agreement with you.

2. Area Development Program. Under the Area Development Program, we assign a territory ("**Development Area**") within which you must open and operate a number of ALittle Tea Shop ("**Units**") within a specified period of time ("**Development Schedule**"). In general, there is a minimum number of two (2) Units that must be opened under the Area Development Agreement (the "**Development Agreement**"). If you elect to participate in and are approved for this program, you will execute a Development Agreement in the form attached as Exhibit B, which will describe your Development Area and the Development Schedule. For each Unit, you must sign a separate Franchise Agreement in the form attached as Exhibit A, subject to any changes or modifications required by applicable law or, at our option, in the form of the then-current Franchise Agreement we offer our new franchisees (although the Royalty Fee and Marketing Fee will remain the same as in the Franchise Agreement in Exhibit A). In no event will you sign a Franchise Agreement for any Unit until we have complied with any applicable waiting periods prescribed by law, and in no event will you be a franchisee entitled to operate a Unit as an ALittle Tea Shop until we sign the Franchise Agreement for that particular Unit. You will sign a Franchise Agreement for your first Unit ("**First Unit**") at the same time you sign the Development Agreement. We use the term "**Subsequent Unit**" to refer to Units opened under a Development Agreement after the First Unit.

The market for tea shops is competitive and well established. The goods and services offered by our franchisees are used primarily by the general public for personal consumption and are not limited to any specific submarket. We believe proprietary menu items, ingredients and service standards are enhanced by our operational format and by the food and beverage products ALittle Tea Shops offer. Your Franchised Tea Shop will compete with national and regional chains and locally-owned tea shops offering similar products including other franchises, tea shops, coffee shop, grocery stores, convenience stores and restaurants offering the same or similar products.

Your Franchised Tea Shop must comply with federal, state and local laws and regulations affecting the business, including state and local licensing laws, advertising, consumer protection statutes, zoning, land use and construction regulations, federal and state environmental laws and regulations, and various health, safety, sanitation and fire standards. Counties typically establish health and safety standards and regulations, which ALittle Tea Shops must meet, including health permit and food handling certifications. These requirements can vary widely among jurisdictions, can be very strict and may involve Public Health Department inspections. You should be careful to ensure that you have a full understanding of the laws and regulations that may apply to your Franchised Tea Shop and its location.

ITEM 2
BUSINESS EXPERIENCE

Chih-Cheng Hsu Chief Executive Officer

Since our inception in 2024, Chih-Cheng Hsu has been our Chief Executive Officer, Chief Operating Officer and Chief Financial Officer. Since April 2022, Mr. Hsu has been the President of YDD, located in San Gabriel, California. Since September 2020, Mr. Hsu has also been the Chief Executive Officer of ParentCo, located in Dover, Delaware. From September 1998 to June 2022, Mr. Hsu served as a Staff Engineer at General Motors Company, located in Warren, Michigan.

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

Franchise Agreement

You must pay us an initial franchise fee (the "**Initial Franchise Fee**") of $15,000.00 when you sign the Franchise Agreement. The Initial Franchise Fee is due in lump sum at the time you sign the Franchise Agreement. If you are in full compliance with your Franchise Agreement during the initial term and the 2 renewal terms, and you would like to sign a new Franchise Agreement for the same Franchised Tea Shop location, then the Initial Franchise Fee in such subsequent Franchise Agreement will be reduced to $5,000.00. The Initial Franchise Fee is fully earned by us when paid and is non-refundable to you.

Security Deposit

You must pay us a security deposit in the amount of $5,000.00 when you sign the Franchise Agreement to secure your obligations under the Franchise Agreement and your purchases of products from us. Within thirty (30) days after the expiration or earlier termination of your Franchise Agreement, any remaining amount of security deposit will be refunded to you.

Area Development Agreement

If you are a franchisee under our Area Development Program, you will sign a Franchise Agreement and pay the Initial Franchise Fee for your First Unit at the same time as you sign the Development Agreement and pay us a development fee (the "**Development Fee**") for an agreed upon number of Subsequent Units. The total amount of the Development Fee is equal to $7,500.00 for each of your Subsequent Units. The portion of the Development Fee attributable to each Subsequent Unit will be credited against the amount of the Initial Franchise Fee you must pay when you sign the Franchise Agreement for that Subsequent Unit. By way of example, when you sign a Franchise Agreement for a Subsequent Unit, $7,500.00 of the Development Fee will be credited against the $15,000.00 Initial Franchise Fee for that Subsequent Unit. As such, the balance of the Initial Franchise Fee you will pay for that Subsequent Unit is $7,500.00. The Development Fee is payable in lump sum when you execute the Development Agreement and is fully earned when paid. In no event is the Development Fee refundable.

Certain Initial Inventory and Equipment
You must purchase certain items, such as tea leaves, boba, syrup & mixes, food packaging, certain counter-top equipment, certain kitchenware and uniforms, from us as part of your initial inventory. The amount of this portion of your initial inventory purchased prior to opening is $35,000.00 to $50,000.00. This amount is non-refundable.

Tea Shop Development Fee
For each Franchise Agreement you execute, you will be required to pay us a tea shop development fee (the "**Tea Shop Development Fee**") equal to five percent (5%) of the actual total Construction, Remodeling and Leasehold Improvements costs (as further described in Item 7) of your Franchised Tea Shop, which amount is estimated to be $7,500.00 to $15,000.00. The Tea Shop Development Fee is due and payable after the completion of construction, but prior to the grand opening, of your Franchised Tea Shop. In no event is the Tea Shop Development Fee refundable.

ITEM 6
OTHER FEES*

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Royalty Fees (Note 1)	3% of Gross Sales	Payable Monthly (based on Gross Sales of the previous month)	Payments shall be made via electronic funds transfer ("**EFT**")
Marketing Fee (Note 2)	Up to 2% of Gross Sales –currently 0.5%	Payable Monthly (based on Gross Sales of the previous month)	Payments shall be made via EFT
Additional Training or Assistance (Note 3)	Fee and all expenses	Prior to the beginning of training or as incurred	We will provide initial training at no charge for up to six (6) people, so long as they all attend the same session. We may charge a fee for additional persons, replacement personnel, or special assistance or training we determine your staff may need or upon your request. The fee will depend on the training required.
Management Fee	Our cost and expenses	As incurred	Payable if we or our affiliates manage your Franchised Tea Shop because of your breach of the Franchise Agreement.
Customer Issue Resolution	Reasonable cost we incur for responding to a customer complaint	Upon demand	Payable if a customer of your Franchised Tea Shop contacts us with complaint, and we provide gift card, refund, or other value to customer as a resolution.
Transfer Fee: Franchise	 $1,500	Prior to consummation of transfer	Payable on a Transfer. The Transfer Fee under the

Agreement Development Agreement	 $1,500 for each undeveloped Subsequent Unit		Development Agreement will not be applied to the Initial Franchise Fee that will be due when the Unit is developed.
Renewal Fee	$5,000	At the time of the execution of the then current Franchise Agreement or other renewal document	Payable when you renew the term of your Franchise Agreement.
Insurance	Reimbursement of our cost, plus 20%	Upon demand	If you fail to obtain the proper insurance, we may obtain insurance on your behalf, and you will reimburse us for the expense, plus 20% administrative cost.
Failed Inspection Fees	$250 for failed inspection and $500 for each failed reinspection, plus reasonable costs, including travel and lodging	Upon demand	If you fail your first inspection, you will pay a non-compliance fee of $250. If you fail a re-inspection, you will pay a non-compliance fee of $500, plus the inspector's travel, lodging and personal expenses during any re-inspection
Audit (Note 4)	Cost of audit, including but not limited to travel expenses	Upon demand	Payable only if audit shows understatement of more than 2% of Gross Sales for any 4-week period.
Interest on late payments (Note 4)	Lesser of 1% per month or maximum legal rate	Upon demand	Payable on all overdue amounts
Late Report Fee (Note 4)	$500 plus $500 for every week a report is late	Upon demand	Payable on all late reports
Equipment Replacement / Upgrade	Cost of replacement or upgrade	As incurred	You must replace or upgrade improvement, fixture, furniture, furnishing, equipment and signs as needed, based on our inspection. Certain equipment may only be purchased from us.
Liquidated Damages (Note 5)	$1,000 per day	Upon demand	Payable for each day (a) unauthorized menu items, products or services are offered for sale or sold, (b) unauthorized ingredients are used in any of the products sold, or (c) your failure to keep your Franchised Tea Shop open during the required days/hours.

Indemnification**	Will vary under circumstances	As incurred	You must reimburse us if we are held liable for claims under the Franchise Agreement or Development Agreement.
Professional Fees and Expenses**	Will vary under circumstances	As incurred	Any legal, accounting, or other professional fee we incur as a result of any breach or termination of your Franchise Agreement or Development Agreement, or in enforcement of our rights against you under the Franchise Agreement or Development Agreement.
Mediation and Arbitration Fees**	Actual Costs	As incurred	Any legal, accounting, or other professional fees we incur as a result of any breach or termination of your Franchise Agreement or Development Agreement, or in enforcement of our rights against you under the Franchise Agreement or Development Agreement.
Taxes (Note 6)	Actual Costs	Upon demand	
Fee for Testing Alternative Supplier's Goods	Reasonable fee based on the cost of the test made by us or by an independent testing laboratory designated by us	Upon demand	Only if you want us to test a proposed supplier to become an approved supplier (see Item 8)
Product Purchases (Note 7)	Price List	Upon demand	Payment must include cost of goods, taxes, shipping and handling; payments may be required to paid via EFT.

* All fees are imposed by and are payable to us or our affiliate(s). All fees are non-refundable and are uniformly imposed.

** These fees are found in both the Franchise Agreement and Development Agreement.

Note 1: <u>Royalty Fee</u>. You are required to pay us a Royalty Fee equal to 3% of Gross Sales from your Franchised Tea Shop. "**Gross Sales**" means the total amount of all sales of products, services and merchandise sold from, through, or in connection with the Franchised Tea Shop, whether for cash, on credit, barter or otherwise, exclusive of applicable sales, use or service taxes. You will authorize us to take the Royalty Fees from you by electronic transfer.

You will comply with the procedures specified in the Manual (as defined below) or as otherwise communicated for any electronic funds transfer program or any other program we institute and shall perform the acts and sign the documents, including authorization forms that we, your bank and our bank may require to accomplish payment by electronic funds transfer, including authorizations for us to initiate debit entries and/or credit correction entries to a designated checking or savings account for payments of Royalty Fees, Marketing Fees and other amounts, including interest payable to us. In addition, you will pay all costs associated with utilizing an electronic funds transfer payment program. If you fail to timely report to us in accordance with the procedures set forth in the Franchise Agreement and in the Manual, in addition to any applicable late charge, we have the right, but not the obligation, to debit from your account an estimated amount based on our reasonable estimation of your Gross Sales.

Note 2: Marketing Fee. Currently, you are required to pay us a Marketing Fee of 0.5% of Gross Sales from your Franchised Tea Shop. We may determine to increase the Marketing Fee you are required to pay us, but we cannot increase the Marketing Fee more than 1/2% per year, and the maximum Marketing Fee you will be required to pay us is 2% of Gross Sales. You will authorize us to take the Marketing Fees from you by electronic transfer.

Note 3: Additional Training and Assistance Fees. We reserve the right to charge you a reasonable amount for any training we provide to you or your managers or employees after the opening of the Franchised Tea Shop. You will also be responsible for any travel, meal, incidental, and lodging expenses incurred by persons conducting the training programs and attending the training program. We will make available continuing advisory assistance in a manner as we deem appropriate. If we send our representatives to your Franchised Tea Shop to provide assistance, we reserve the right to charge a reasonable fee for this type of assistance.

Note 4: Interest, Audit Fees and Late Report Fees. You must pay interest on any unpaid amounts at the rate of the lesser of 1% per month or the maximum legal rate in the jurisdiction where your Franchised Tea Shop is located. Notwithstanding the foregoing, the maximum interest rate in California is 10% annually. In addition, if the amount of Gross Sales you report for any 4-week period is less than 98% of the actual Gross Sales for that period, you must pay us the amount owed for Royalty Fees, Marketing Fees, interest and reimburse us for all costs of the investigation or audit that uncovered the under-reported sales, including salaries, professional fees, travel, meals, and lodging. If you fail to send us any reports when due, we can charge you, to the extent permitted by law, a late fee of $500 plus $500 for each week your report is late.

Note 5: Liquidated Damages. Uniformity of menu items, products and services offered by all ALittle Tea Shops is of utmost importance to us, our franchisees and the System. If you offer to sell or do sell menu items, products or services which are not authorized or are not prepared in accordance with the Manual, you agree we will be damaged by your non-compliance. These damages will be calculated at the rate of $1,000 per day for each day (a) unauthorized products or services are offered or sold, (b) unauthorized ingredients are used in any of the products sold, or (c) your failure to keep your Franchised Tea Shop open during the required days/hours. This is in addition to any other rights and remedies we may have against you, including but not limited to the termination of your Franchised Agreement. We have the right to collect these amounts in addition to any and all of our other rights for non-compliance provided for under the Franchise Agreement. You agree that a precise calculation of the full extent of the damages that we will incur from the offer or sale of unauthorized products and services are difficult to determine and we and you desire certainty in this matter and agree that the damages provided here are reasonable, constitute liquidated damages and are not a penalty.

Note 6: Taxes. You must pay us the amount of any State or local sales, use, gross receipts, or similar tax that the State or local government authority imposes on fees which you pay to us under the Franchise Agreement, without offset or deduction of any kind. Your obligation to reimburse us for these taxes does not extend to income-type taxes which a State or local government imposes on our income.

Note 7: Product Purchases. Currently, you must purchase certain food and non-food items for your Franchised Tea Shop from us. (See Item 5 and 8) The price and terms and conditions for these purchases are contained on the price list that we or our affiliates will supply to you from time to time (“**Price List**”). We reserve the right to update the Price List and change the terms and conditions for these purchases at any time on 30 days’ notice. All of the individuals who guarantee the Franchise Agreement must also guarantee all of your purchases of products and equipment from us or our affiliates. You must pay for all taxes, shipping and handling costs. We or our affiliates may require purchases to be paid via EFT. If you fail to pay for any products or equipment when payment is due, we or our affiliates can require you to pay for future products and/or equipment on a C.O.D. basis or withhold shipment of products and/or equipment in addition to requiring you to pay late fees and interest.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Paid
	Low	High			
Initial Franchise Fee	$15,000	$15,000	Lump sum	When you sign the Franchise Agreement	Us
Security Deposit	$5,000	$5,000	Lump Sum	When you sign the Franchise Agreement	Us
Tea Shop Development Fee (Note 1)	$7,500	$15,000	Lump Sum	Prior to the opening of your Franchised Tea Shop	Us
Architect/Engineer Fees (Note 2)	$7,000	$12,000	As arranged	As incurred	Approved suppliers, contractors, vendors
Construction, Remodeling and Leasehold Improvements (Note 3)	$150,000	$300,000	As arranged	As incurred	Approved suppliers, contractors, vendors
Equipment (Note 2)	$15,000	$30,000	As arranged	As incurred	Approved suppliers, contractors, vendors
Furniture, Fixture and Decorations (Note 2)	$5,000	$15,000	As arranged	As incurred	Approved suppliers, contractors, vendors
Signage	$3,000	$5,500	As	As	Approved

(Note 2)			arranged	incurred	suppliers, contractors, vendors
Business License and Permits	$5,000	$15,000	As arranged	As incurred	Approved suppliers and government agencies
Insurance (Note 4)	$4,000	$9,000	As arranged	As incurred	Insurance provider
Computer Equipment and Point of Sale System	$5,000	$10,000	As arranged	As incurred	Approved suppliers, contractors, vendor
Other Professional Fees	$1,000	$2,000	As arranged	As incurred	Various service providers
Initial Training Expenses (Note 5)	$3,500	$6,000	As arranged	As incurred	Providers of travel/lodging and employee costs
Office Supplies	$2,000	$3,500	As arranged	As incurred	Approved suppliers, contractors, vendors
Rent, Security Deposits (Note 6)	$20,000	$50,000	As arranged	As incurred	Landlord
Certain Initial Inventory and Equipment (Note 7)	$35,000	$50,000	As arranged	As incurred	Us
Other Initial Inventory (Note 8)	$3,000	$5,000	As arranged	As incurred	Approved suppliers
Opening Advertising (Note 9)	$3,000	$5,000	As arranged	As incurred	Providers of advertising
Additional Funds (3 months) (Note 10)	$100,000	$200,000	As arranged	As incurred	Employees, approved suppliers, contractors, vendors
TOTAL ESTIMATED INITIAL INVESTMENT (Note 11)	$389,000	$753,000			

The chart above describes the estimated initial investment for one ALittle Tea Shop, whether it is a single

Unit or a Unit under a Development Agreement. As described in Item 5, if you sign a Development Agreement, you must pay us a Development Fee equal to the number of Subsequent Units to be opened under the Development Agreement multiplied by $7,500, and you will receive a credit of $7,500 against the Initial Franchise Fee owed for each Subsequent Unit when you sign the Franchise Agreement for such Subsequent Unit. Assuming you sign a Development Agreement for 3 Units, the total investment necessary, inclusive of the Development Fee for the 2 Subsequent Units, plus the estimated investment necessary to open your First Unit under the Development Agreement, is $404,000 to $768,000.

Note 1. Tea Shop Development Fee. For each Franchise Agreement you execute, you will be required to pay us the Tea Shop Development Fee equal to five percent (5%) of the actual total Construction, Remodeling and Leasehold Improvements costs (as further described above) of your Franchised Tea Shop, which amount is estimated to be $7,500.00 to $15,000.00. The Tea Shop Development Fee is due and payable after the completion of construction, but prior to the grand opening, of your Franchised Tea Shop.

Note 2. Architect Fees, Engineer Fees, Construction, Equipment, Furniture, Signage, etc. When a site has been selected and as part of the services we provide in consideration for the Tea Shop Development Fee, we will provide you with a preliminary layout and drawings of your Franchised Tea Shop. The services of a licensed architect designated by us (or otherwise approved by us) are required to detail the layout into construction plans. You will pay for the architect's services directly. The cost of construction, improvements or building varies widely by the size of the space, the existing improvements and local construction rates. Until a specific site is located and evaluated, a reliable estimate of costs cannot be projected. You may only use designers, architects, engineers, contractors and other professions designated by us, or otherwise approved by us, in connection with the design and construction of your Franchised Tea Shop.

Note 3. Construction, Remodeling and Leasehold Improvements. This includes the "hard cost" for the construction and remodeling of your Franchised Tea Shop such as general contractor costs (e.g., labor, overhead and profit), subcontractors costs (e.g., electrical, plumbing and HVAC) and materials (e.g., structural materials, finish materials, fixtures and furnishings. The Tea Shop Development Fee is calculated based on these costs.

Note 4. Insurance. These amounts represent the annual premium for the required insurance. The type of insurance you are required to maintain is described in Section IX.H. of the Franchise Agreement.

Note 5. Expenses Incurred in Training. This is the range of expenses you and up to 5 others may incur when attending training in an ALittle Tea Shop in Southern California for approximately 20 days.

Note 6. Rent, Security Deposit. The size of a typical Franchised Tea Shop will range from 1,000 – 1,500 square feet and will be in an in-line location or endcaps. If you do not own or purchase real estate for the Franchised Tea Shop location, you will need to lease space from a landlord. In most cases, the landlord will require a security and/or rental deposit. Rental rates will most likely depend on the size and location of the Franchised Tea Shop. These costs will vary greatly depending on the metropolitan area where the Franchised Tea Shop will be located. These estimates are based on one month's rent for a security deposit and the first month's rent. In most cases, franchisees rent rather than purchase property. The estimated initial investment assumes you will rent. If you purchase the property, your initial expenses will dramatically increase.

Note 7. Certain Initial Inventory and Equipment. This estimate reflects the cost of opening inventory of products (including items such as tea leaves, boba, syrup & mixes, food packaging, certain counter-top equipment, certain kitchenware and uniforms) you purchase from us and is estimated to cover the first 90 days of operations of your Franchised Tea Shop. This also includes the initial costs of the products purchased from our affiliate as described in Item 5 as well as other products purchased from other approved suppliers.

Note 8. Other Initial Inventory. This includes the initial costs of the products purchased from other approved suppliers (not from us or our affiliates) and is estimated to cover the first 90 days of operations of your Franchised Tea Shop.

Note 9. Opening Advertising. You are required to spend a minimum of $3,000 on grand opening advertising and sales promotions within the first 14 days your Franchised Tea Shop is opened. Within 28 days after the opening of the Franchised Tea Shop, you must provide us proof of your expenditures in the form and with the detail, including copies of all grand opening advertising materials and receipts, as we request.

Note 10. Additional Funds. This item estimates your expenses during the initial period of operation of the Franchised Tea Shop (other than the items identified separately in this table). These expenses include estimated rent, payroll costs, benefits, utilities, additional inventory requirements, supplies, etc., but do not include Royalty Fees, Marketing Fees, or an owners' draw or salary. These figures are estimates, and you may have additional expenses in order to start the business.

Note 11. Total. Costs and expenses can vary depending on factors like local real estate values, cost of labor and supplies. Your costs will depend on how closely you follow the System, your management skill, experience and business acumen, local economic conditions, the acceptance by local consumers of our approved goods/services, prevailing wage rates, competition, etc. These figures were based on the experience of ALittle Tea Shop opened by our affiliate, YDD, for a 1,000 to 1,500 square feet ALittle Tea Shop. Except as described above, none of the fees listed in this Item are refundable. Your financial condition and arrangements negotiated by and the business decisions made by you will also affect these costs. There can therefore be no assurance that the experience of a particular franchisee will correspond with the information presented above. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate the Franchised Tea Shop according to the System. In order to ensure that the System is uniformly maintained, we have established standards and specifications for you to follow which are described in the Manual. Therefore, you are required to purchase all products, services, supplies, inventory, equipment, materials, computer systems and other items required for the operation of the Franchised Tea Shop from manufacturers, suppliers, or distributors we approve, or from other suppliers who meet our specifications and standards. Upon your request, we will provide you with the required specifications for such other suppliers. Specification of a supplier may be conditioned on requirements relating to, among other things, frequency of delivery, standards of services, including prompt attention, as well as payments, contributions, or other consideration to us, our affiliates, any advertising fund and/or otherwise, and may be temporary, in each case in our reasonable discretion. We may, from time-to-time withhold, condition and/or revoke our approval of particular items or suppliers in our reasonable discretion. We have imposed these requirements in order to assure quality and uniformity of the decor and products sold to customers. Approved suppliers will be designated in the Manual or some other writing delivered to you. We may modify the list of approved brands, products and suppliers, and will notify you, in writing, of any modification.

If you wish to purchase or lease any goods, products, equipment or supplies not approved by us as meeting our specifications, you must first notify us. Upon your request, we will provide you with the required specifications for a particular good, product, equipment or supply. We may require you to submit sufficient photographs, drawings and/or other information and samples to determine whether these goods, products, equipment, or supplies meet our specifications. Our standards and specifications may impose minimum requirements for delivery, performance, design and appearance. We will advise you within 180 days whether these goods, products, equipment or supplies meet our specifications. We may require samples from alternate suppliers to be delivered to us or to a designated independent testing laboratory (or other place we determine) for testing before approval and use. We may also require you to pay a charge based on our costs and the actual cost of the test made by us or by an independent testing laboratory designated by us. We may require your proposed supplier to execute a confidentiality agreement regarding the product.

Currently, we are the sole supplier of certain items such as tea leaves, boba, syrup & mixes, food packaging, certain countertop equipment, certain kitchenware and uniforms. Any purchases from us will generally be at prices exceeding its costs. Since we have just started franchising, as of the date of this Disclosure Document, we have not derived any revenue from the sale of products to franchisees. Our officers do not have any direct ownership interest in us. Currently, there is no other designated supplier that is owned, in whole or in part, by any of our officers, but our officers reserve the right to do so in the future.

We estimate 50% of your overall purchases of products in opening the franchise and 50% of your overall purchases of products in operating the franchise will be from us or from other approved suppliers and under our specifications. We or our affiliates may receive rebates, credits, and marketing allowances from some suppliers, based on our franchisee' purchase of products and services. If we do, it is our intention that these funds will either be distributed to you, other franchisees and us and our affiliates directly form the supplier pro rata in proportion to your purchases or sales volumes, or be contributed to our Advertising Fund.

There are currently no purchasing or distribution cooperatives. We may negotiate purchase arrangements with suppliers (including price terms), for the benefit of the System. Except as provided above, we do not provide material benefits to you (for example, renewal or granting additional franchises) based on your purchase of particular products or services or use of particular suppliers.

In addition to the purchases or leases described above, you must buy and maintain, at your own expense, insurance coverage that we require and to meet the other insurance-related obligations, all of which are described in greater detail in Section IX.H in the Franchise Agreement.

If you fail to obtain insurance and keep the same in full force and effect, we may obtain this insurance at our discretion and you will pay us the premium costs, plus a 20% administration fee, upon our demand. Failure to obtain and maintain the required insurance constitutes a material breach of the Franchise Agreement entitling us to terminate that agreement. You must also procure and pay for all other insurance required by state or federal law. We may periodically increase the amounts of coverage required and/or require different or additional coverage.

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 IN FRANCHISE AGREEMENT (references to Development Agreement in italics)	DISCLOSURE DOCUMENT ITEM

(a) Site selection and acquisition/lease	Section III of the Franchise Agreement *Section I of the Development Agreement*	Items 6 and 11
(b) Pre-opening purchases/leases	Sections IX.A and D of the Franchise Agreement	Item 8
(c) Site development and other pre-opening requirements	Sections IX.A and III of the Franchise Agreement	Items 6, 7, 11
(d) Initial and ongoing training	Section VIII of the Franchise Agreement	Item 11
(e) Opening	Section IX.A of the Franchise Agreement	Item 11
(f) Fees	Section VI of the Franchise Agreement *Section IV of the Development Agreement*	Items 5 and 6
(g) Compliance with standards and policies/Operations Manual	Sections IX.D and XV of the Franchise Agreement	Item 11
(h) Trademarks and proprietary information	Sections X of the Franchise Agreement	Items 13 and 14
(i) Restrictions on products/services offered	Section IX.D of the Franchise Agreement	Item 16
(j) Warranty and customer service requirements	Section IX.D of the Franchise Agreement	Item 16
(k) Territorial development and sales quotas	Section II.B of the Franchise Agreement *Section II of the Development Agreement*	Item 12
(l) Ongoing product/service purchases	Section XIV of the Franchise Agreement	Item 8
(m) Maintenance, appearance and remodeling requirements	Sections IX.L and IX.O of the Franchise Agreement	Item 11
(n) Insurance	Section IX.H of the Franchise Agreement	Items 6 and 8
(o) Advertising	Section VII of the Franchise Agreement	Items 6 and 11
(p) Indemnification	Section XVIII of the Franchise Agreement *Section X of the Development Agreement*	Item 6
(q) Owner's participation/management/ Staffing	Section IX.G of the Franchise Agreement	Items 11 and 15
(r) Records/Reports	Section IX.M of the Franchise Agreement	Item 6
(s) Inspections/audits	Section IX.I of the	Items 6 and 11

	Franchise Agreement	
(t) Transfer	Section XVI of the Franchise Agreement *Section VI of the Development Agreement*	Item 17
(u) Renewal	Section V.B of the Franchise Agreement	Item 17
(v) Post-termination obligations	Sections XI., XII and XIII.C of the Franchise Agreement	Item 17
(w) Non-competition covenants	Section XII of the Franchise Agreement	Item 17
(x) Dispute Resolution	Section XVIII of the Franchise Agreement *Section VIII of the Development Agreement*	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 SYSTEMS, AND TRAINING

Except as listed below, we are not required to provide you with any assistance.

Before you open the Franchised Tea Shop, we will:

(1) Designate your Assigned Territory. (Franchise Agreement – Section II.B and Exhibit I)

(2) Designate your Development Area. (Development Agreement – Section I.A and Attachment B)

(3) Approve or disapprove a site for your Franchised Tea Shop. We do not currently own sites for leasing to franchisees. (Franchise Agreement – Section III.A) Our consent to a particular site is not to be regarded as an endorsement by us of any particular site. You are primarily responsible for investigating the site and having any leases or sale contract for the site reviewed and approved by your attorney.

We will provide you with our site selection criteria for an ALittle Tea Shop. The site must meet our criteria for demographic characteristics: traffic patterns; parking; character of neighborhood; competition from, proximity to, and nature of other businesses; foot traffic; daytime business population; size; appearance; and other physical and commercial characteristics. We will approve or disapprove a location you propose within 30 days after receiving your description of the site and all demographic information we require in order to evaluate the site. We will use reasonable efforts to help analyze your market area, to help determine site feasibility, and to assist in designating the location, although we will not conduct site selection activities for you. If you and we cannot agree upon a location for your Franchised Tea Shop and you fail to open within 12 months after signing the Franchise

Agreement, we may terminate the Franchise Agreement.

If you intend to lease a site, you will submit a copy of the proposed lease to us, within 60 days of our consent to the site. Within 10 days of execution of the lease, you shall provide us a copy of the executed lease. Unless otherwise approved by us, the lease must include substantially the terms in the Addendum to Lease which is Exhibit B of the Franchise Agreement.

If you intend to own the site, you will furnish to us proof of ownership or an executed sale contract within 90 days after we consent to the site. You shall create a separate entity to own the site and then lease the site to you at its full rental value and on commercially reasonable terms for the term of the Franchise Agreement.

If you purchase an existing ALittle Tea Shop from us or our affiliates, then the purchase will be subject to a separate mutually agreed upon purchase and sale agreement. As a condition to such purchase, you must execute a Franchise Agreement and assume the existing lease (or enter into a sublease with us or enter into a new lease with the applicable landlord) for the ALittle Tea Shop, to be effective upon the closing of the purchase and sale transaction.

(4) Provide preliminary layout and design of the Franchised Tea Shop. (Franchise Agreement– Section VIII.D)

Any such suggestions will not include the requirements of any federal, state, or local law, code, or regulation, including those concerning the Americans with Disabilities Act or similar rules governing public accommodations for persons with disabilities, nor shall such suggestions include the requirements of, or be used for, construction drawings or other documentation necessary to obtain permits or authorization to build a specific tea shop. You will construct the Franchised Tea Shop in accordance with specifications and plans prepared by you based upon our standards, subject to our right to consent. The cost of plans and specifications shall be borne by you. Our consent shall be limited to review of such plans to assess compliance with our design standards for ALittle Tea Shops, including such items as trade dress, presentation of trademarks, and the provision to the potential customer of certain products and services that are central to the functioning of the Franchised Tea Shop. All of the Design and Construction Personnel used in connection with your Franchised Tea Shop must be, at our discretion, designated by us or otherwise approved by us. "**Design and Consecution Personnel**" means any person or entity engaged by you in connection with the design and/or construction of your Franchised Tea Shop, including but not limited to, designers, space planners, architects, engineers and general contractors.

(5) Provide approved suppliers or specification for the products and services you need to equip your Franchised Tea Shop. (Franchise Agreement – Section XIV)

We provide you with the names of approved suppliers and the written specification for these items. We do not deliver or install any of these items.

(6) Sell you certain products as described in Item 5. (Franchise Agreement – Section IX.A)

(7) Provide an initial training program for the operation of the Franchised Tea Shop to you and 5 others, including your designated manager(s). This training is described in greater detail later in this Item 11. (Franchise Agreement – Section VIII.A)

(8) Loan you a copy of the Manual. (Franchise Agreement - Section XV)

This Confidential Standard Operating Procedures Manual, which may be in a format determined by us (i.e., in writing, via electronic media through a secure website, etc.) ("**Manual**") is confidential and remains our property. You will operate your Franchised Tea Shop in strict compliance with those operational systems, procedures, policies, methods and requirements found in the Manual which are designated as mandatory and in any supplemental bulletins and notices, revisions, modifications, or amendments thereto, all of which are a part of the Manual.

You must treat the Manual, any other manuals or written materials provided by us or our affiliate for use in the operation of the Franchised Tea Shop, and the information contained in them, as confidential, and must use all reasonable efforts to maintain this information as secret and confidential. You must not copy, duplicate, record, or otherwise reproduce these materials, in whole or in part, or otherwise make them available to any unauthorized person. The Manual will remain our sole property and must be kept in a secure place within the Franchised Tea Shop. It must be returned to us upon termination or expiration of your Franchise Agreement.

We have the right to make additions to, deletions from or revisions to the Manual which you have to comply with at your own cost. You must ensure that the Manual is kept current at all times. If there is any dispute as to the contents of the Manual, the terms of the master copy maintained by us, at our principal office, will be controlling. The table of contents of the Manual, including allocation of pages to each subject, is included as Exhibit C to this disclosure document.

Time for Opening the Franchised Tea Shop.

We estimate that the typical length of time between signing of the Franchise Agreement with an approved location and the opening of an ALittle Tea Shop is approximately 5 to 8 months. Factors affecting the length of time usually include obtaining a satisfactory site, zoning and governmental requirements, financing arrangements, building improvements, and purchase and installation of equipment, fixtures, and signs. The opening of the Franchised Tea Shop may be delayed only if such delay is caused by contingencies not within your control, such as acts of God, governmental restrictions, strikes or labor disputes. You are required to use your best efforts to cure any of these delays and any of these delays in opening shall only be for a period of days equal to the number of days during which the events actually prevent completion. You must notify us of any delay promptly. If you fail to open the Franchised Tea Shop within 12 months of signing the Franchise Agreement, we may terminate the Franchise Agreement.

You may open a Unit under a Development Agreement only by signing a Franchise Agreement for that Unit. You will sign a Franchise Agreement for the First Unit at the same time you sign the Development Agreement.

During the Operation of your Franchised Tea Shop, we will:

(1) Furnish you, at your request, with additional guidance and assistance. We reserve the right to charge a reasonable fee. (Franchise Agreement - Section VII.D)

(2) Continue to loan you one copy of the Manual. (Franchise Agreement – Section XV)

ADVERTISING

Advertising Fund

You must contribute a monthly Marketing Fee of up to 2% of your Gross Sales to the marketing and advertising fund maintained and operated by us (the "**Advertising Fund**"). Currently, the Marketing Fee is 0.5% of your Gross Sales. We have the right to increase the amount of the Marketing Fee as described in Item 6 above. We agree that the Marketing Fees received from you will be made available for the payment of all costs associated with the creation, production, distribution, media placement, maintenance and enhancements to our website, and administration of local, state, regional or national advertising programs and for any taxes incurred on these funds. In addition, the Marketing Fees may be used to offset the cost of providing posters and other marketing materials to ALittle Tea Shops. The Advertising Fund is intended to maximize recognition of the Marks and the patronage of ALittle Tea Shops. Although we will try to use the Advertising Fund to develop advertising and marketing materials and programs, and to place advertising and marketing, that will benefit all ALittle Tea Shops, we do not ensure that the Advertising Fund expenditures in or affecting any geographic area are proportionate or equivalent to the Advertising Fund contributions by ALittle Tea Shops operating in that geographic area or that any ALittle Tea Shop benefits directly or in proportion to its Advertising Fund contributions. We do not have to spend any amount on advertising in your Assigned Territory (as defined below). We may use the Advertising Fund for local, regional, or national marketing, advertising, sales promotion and promotional materials, new product development and testing, public and consumer relations, website development and search engine optimization, the development of technology utilized by ALittle Tea Shops, secret shopper programs, and any other purpose to promote the ALitte Tea brand. We have the right to determine the type of advertising and the media in which it will appear. We have the sole right to formulate and make policy decisions concerning every aspect of the advertising and franchise expansion program, consistent with applicable law. We do not have to spend the Advertising Fund contributions during any specific time period. Advertising may be handled by the outside advertising agency which we select. The Advertising Fund will not be used for the sale, promotion, travel and other expenses that are principally for the solicitation of new franchises, except that we will use portions of the Marketing Fees towards the costs of websites we may maintain, which websites may contain information about our franchising programs. Unaudited annual financial statements of the Advertising Fund will be made available to franchisees on reasonable request. If we do not use all of the Advertising Fund contributions in a particular fiscal year, the remaining contributions will be carried over to the next fiscal year and be included in that year's marketing budget. We are entitled to reimbursement from the Advertising Fund to cover our administrative and overhead expenses associated with operating the Advertising Fund. Once we commence franchising and the first franchisee-owned ALittle Tea Shop starts contributing to the Advertising Fund, all franchisee-owned and all company-owned ALittle Tea Shops will contribute to the Advertising Fund on an equal basis.

The Advertising Fund is not our asset. The Advertising Fund is not a trust. We have a contractual obligation to hold all Advertising Fund contributions for the benefit of the contributors and to use the contributions only for their permitted purposes as described above. We have no fiduciary obligation to you for administering the Advertising Fund. During our prior fiscal year, we did not collect any Marketing Fees.

We do not have a franchisee advertising advisory council that advises us on advertising policies, but we reserve the right to establish one in the future.

Your Own Advertising.

Other than contributions to the Advertising Fund, your grand opening obligations and any local or regional cooperative which may be formed in the future, you are not required to spend any particular amount on advertising and promoting your Franchised Tea Shop locally, but we encourage you to advertise and promote the Franchised Tea Shop locally. You must submit all of your own advertising and sale promotion materials to us, or our advertising agency, for approval before use. If you do not receive written approval within 20 days after we receive the materials, we will be deemed to have rejected to your use of them. Whether approved or not, the Franchise Agreement prohibits you from advertising or using in advertising or other form of promotion, the Marks without the appropriate copyright, trademark, and service mark symbols ("© ", "® ", "TM" or "SM") as we direct. You are not permitted to advertise your products or services or use the Marks on the Internet except after obtaining our consent. Any advertising on the Internet must be pre-approved by us and on terms specified by us.

You agree not to distribute individual advertising items (i.e., coupons, circular advertising, etc.) outside of your Assigned Territory, unless you use a form of advertising which is not programmed to restrict to the Assigned Territory, like direct mail advertising by outside contractors based on zip code.

Internet and Other Electronic Advertising

We have established an Internet website located at www.alittle-tea.com. We may provide contact information for the Franchised Tea Shop on our website for so long as we determine. Further, you shall not use the Marks (or any marks or names confusingly similar to the Marks) as an Internet domain name or in the content of any website. Subject to our right to consent, you may be permitted to create a social media account from which to advertise your Franchised Tea Shop on the Internet (such as on Instagram, Facebook, X or Tik Tok). Any such permission shall only be for such time as we permit and shall be on the terms and condition we specify from time to time in the Manual, which may restrict the content that you are permitted to post to such social media outlet. We have the right to cease granting you permission to operate any such social media outlet at any time. Except as otherwise provided by us, you may not maintain a presence on the Internet for your Franchised Tea Shop or otherwise advertise or use any of the Marks on the Internet. Any advertising on the Internet, delivered by facsimile, electronic mail or other electronic means shall be pre-approved by us and on terms specified by us. We may require you to place all such electronic advertisements with us or our designated third-party vendor.

Opening Advertising.

In addition to the other advertising requirements, you are required to spend a minimum of $3,000 on grand opening advertising and sales promotions within the first 14 days your Franchised Tea Shop is opened. Within 28 days after the opening of the Franchised Tea Shop, you must provide us proof of your expenditures in the form and with the detail, including copies of all grand opening advertising materials and receipts, as we request.

Local Advertising Cooperative.

Currently we do not operate or authorize any local or regional advertising cooperatives. However, we reserve the right to identify certain advertising markets that may benefit from the formation of an advertising cooperative in the future, and we reserve the right to require your participation in any advertising cooperative we form. If formed, you may be required to pay reasonable fees to fund the local or regional advertising efforts you are required to join. Those fees may be in addition to any other fees described in this disclosure document.

COMPUTER SYSTEM

You are required to purchase a computer and point-of sale system that consists of the following hardware, software and services (collectively the "**Computer System**"): (a) a computer (laptop) of any brand capable of operating the required software for use by the management of the ALittle Tea Shop, (b) an all-in-one printer/scanner/copier/fax machine, (c) firewall with all necessary software required to run the approved point-of-sale (POS) system, and (d) the POS system. Currently, we utilize a POS system from

Toast (https://pos.toasttab.com/). You must purchase at least one POS system from our designated vendor. We estimate the cost of purchasing the POS system, including hardware setup, network setup and kiosk, to be approximately $5,000 - $10,000, depending on the configuration and upgrades, some of which may be mandatory at our discretion. The current estimated monthly fee is $600 - $900, but that may vary depending on the configuration and upgrades, some of which may also be mandatory at our discretion.

You must store all data and information in the Computer System that we designate, and report data and information in the manner we specify.

We may revise our specifications for hardware and software as we determine necessary to meet the needs of the System and there is no contractual limitation on our ability to require the hardware or software to be improved or upgraded. We reserve the right to require different or additional software programs and hardware at any time in the future and you will be responsible for the cost of any new, modified or updated programs and the hardware.

TRAINING PROGRAMS

We or our representatives or agents will provide the following training to you and your designated managers ("**Initial Training Program**"). Satisfactory completion of the Initial Training Program is mandatory for you and at least 1 designated manager before you open your Franchised Tea Shop. However, if you will not actually manage your Franchised Tea Shop, then we will require completion of the Initial Training Program to our satisfaction by you and 2 designated managers, before you open your Franchised Tea Shop.

The Initial Training Program will take place in an existing ALittle Tea Shop in California (to be designated) for a period of at least 20 business days. We do not charge for the Initial Training Program for up to 6 people, but you are responsible for wages, travel, and living expenses for you and your employees during training. There currently are no fixed (i.e. monthly or bi-monthly) training schedules but the training programs are given on an as-needed and as-scheduled basis.

TRAINING PROGRAM

SUBJECT	HOURS OF CLASS-ROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
ALittle Tea Introduction	8	0	ALittle Tea Shop in San Gabriel, CA
Kitchen Operations	2	38	ALittle Tea Shop in San Gabriel, CA
Bar Operations	16	64	ALittle Tea Shop in San Gabriel, CA
Front Office Operations	16	0	ALittle Tea Shop in San Gabriel, CA
Back Office Operations	16	0	ALittle Tea Shop in San Gabriel, CA

TOTAL HOURS:	58	102	

Note that some subjects may be intermingled and time periods and subject matter may be subject to change. The hours listed for on-the-job training will typically include more than one subject matter. The above are merely estimates.

The instructional materials we use in the Initial Training Program include handouts, samples, videos and live demonstrations. The Initial Training Program is taught by our headquarters and operations team under the supervision of our Chief Executive Officer, Chih-Cheng Hsu. Mr. Hsu has more than 2 years of experience in the System and more than 2 years of experience in the industry. The above schedule is our anticipated Initial Training Program but is subject to change.

If you will actively manage your Franchised Tea Shop, then you must designate at least one other manager of the Franchised Tea Shop. If you will not actually manage your Franchised Tea Shop, then you must designate at least two managers of the Franchised Tea Shop. Any person(s) you designate as a manager of the Franchised Tea Shop must complete our Initial Training Program. If any designated manager of your Franchised Tea Shop is no longer willing or able to exercise day-to-day control over your Franchised Tea Shop, you must designate a new designated manager within 30 days and this new designated manager must attend and complete our Initial Training Program at your sole cost and expense within 60 days after the time this person is designated. You are solely responsible for the costs and expenses associated with your designated manager's attendance at this Initial Training Program, including our then prevailing standard training fee and all travel, meals and lodging costs and compensation of, and workers' compensation insurance for your new designated manager.

We may also provide refresher programs to experienced managers. Such programs are not mandatory at this time, but may be deemed mandatory in the future. We may elect to charge a reasonable fee for any training provided after the opening of the Franchised Tea Shop. You are solely responsible for paying the compensation of your trainees as well as your trainees' travel, lodging and personal expenses. The location, duration, and content of such refresher training programs have not been determined yet.

ITEM 12
TERRITORY

FRANCHISE AGREEMENT

You must operate your Franchised Tea Shop at a specific location identified in the Franchise Agreement. You may not conduct business at any site other than the Franchised Tea Shop. You may not relocate the Franchised Tea Shop without our written consent, which we will not unreasonably withhold. The "**Assigned Territory**", if any, will be determined by us, in our sole discretion, as we consider appropriate, and may be determined by either a specified radius, geographic areas, described zip codes, streets, highways, or other written description, as provided in your Exhibit A of the Franchise Agreement.

So long as the Franchise Agreement is in force and you are not in default under it or any other agreement with us or any affiliate of ours, neither we nor our affiliates will own or operate or franchise or license others to own or operate an ALittle Tea Shop within the Assigned Territory, other than in a Non-Traditional Location. A "**Non-Traditional Location**" is a location that is in a transportation facility, a sporting facility, a shopping mall, food court, farmer's market, educational facility or military facility or temporary locations such as kiosks and mobile units. A Non-Traditional Location is not considered part of the Assigned Territory. If your Franchised Tea Shop is in a Non-Traditional Location, you will not receive an Assigned Territory. Except as limited above in this Item 12, we and our affiliates retain all rights with respect to ALittle Tea Shops, the Marks, the sale of similar or dissimilar products and services and any other activities we deem appropriate whenever and wherever we desire, including (1) the right to own or operate, or license others to own or operate ALittle Tea Shops immediately adjacent to your Assigned Territory, outside of your Assigned Territory or within Non-Traditional Locations within or outside of your Assigned Territory; (2) the right to operate or license others to operate similar businesses or any other businesses and services under trademarks or service marks other than the Marks in any location, both inside or outside of your Assigned Territory; (3) the right to operate or license other to operate businesses that are not similar to ALittle Tea Shops under the Marks in any location, both inside or outside of your Assigned Territory; and (4) the right to offer any products or services (including the products and services you offer at the Franchised Tea Shop) through other channels of distribution (including grocery stores, the Internet and other non-tea shop outlets) both inside and outside of your Assigned Territory, and we may promote products bearing the Marks at special events, athletic contests, etc., through temporary locations and mobile units. We are not required to pay you if we exercise any of the rights specified above inside your Assigned Territory.

You are prohibited from distributing individual advertising items (i.e., coupons, circular advertising, etc.) outside of the Assigned Territory, unless you use a form of advertising which is not programmed to restrict delivery to the Assigned Territory, like direct mail advertising by outside contractors based on zip code. You are prohibited from soliciting customers outside of the Assigned Territory through the Internet without our prior consent and on terms we specify. You have no territorial protection in any area outside of your Assigned Territory. Except as described above in this paragraph, we do not restrict you from soliciting or accepting orders from outside the Assigned Territory, but you do not have the right to use other channels of distribution to make sales outside of the Assigned Territory.

You do not receive the right to acquire additional franchises either within or outside your Assigned Territory, but we may consider granting you multiple franchises. You must sign a separate Franchise Agreement, however, for each franchise and each ALittle Tea Shop.

So long as you are not in default under the Franchise Agreement, you may relocate the Franchised Tea Shop within the Assigned Territory with our prior written consent. However, the Assigned Territory for the relocated site will be subject to renegotiation. Regardless of the reason for relocating, you agree to pay all costs and expenses of relocating the Franchised Tea Shop including the cost of a demographic study and our cost and expenses in reviewing the proposed site.

We and our affiliates have the right to purchase, be purchased, merge, acquire, be acquired or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that chain's or business' facilities, and either we, our affiliates or our successor have the right to operate, franchise or license those businesses and/or facilities as "ALitte Tea" operating under the Marks or any other marks following that purchase, merger, acquisition or affiliation, regardless of the location of these facilities (which you acknowledge may be within your Assigned Territory, near your Assigned Territory, or near any of your locations).

We and our affiliates may sell ourselves, our assets, our proprietary marks and/or our system to a third party; may go public; may engage in a private placement of some or all of our securities; may merge, acquire other corporations or entities, or be acquired by another corporation or entity; and/or may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring. With regard to any of the above sales, assignments and dispositions, you will, in the Franchise Agreement, expressly and specifically waive any claims, demands or damages arising from or related to the loss of our name, Marks, other proprietary marks (or any derivation of those marks), the System, other systems and/or the loss of association with or identification as a franchisee under the Franchise Agreement. If we assign our rights in the Franchise Agreement, nothing in this disclosure document or in the Franchise Agreement will be deemed to require us to remain in this business.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands we control. Continuation of your franchise or your territorial protection is not dependent upon sales quotas, market penetration or opening additional locations; however, your territorial protection is dependent upon your compliance with the Franchise Agreement.

AREA DEVELOPMENT AGREEMENT

Under the Development Agreement, you are granted the right to develop and operate ALittle Tea Shops solely in a specified Development Area, which may be within one or more cities, counties, states or some other defined area. During the term of the Development Agreement, we may not own, operate franchise or license any other ALittle Tea Shops in your Development Area, other than in a Non-Traditional Location. A Non-Traditional Location is not considered part of the Development Area. Until the termination, expiration or transfer of the Development Agreement, you retain your right of exclusivity as long as you comply with the Development Schedule (Attachment B of the Development Agreement). If you fail to meet any of your obligations under the Development Agreement, including compliance with the Development Schedule, or breach any Franchise Agreement executed by you pursuant to the Development Agreement, we may terminate your right to develop, open and operate new Units within the Development Area. However, the termination of the right to develop your Development Area will not terminate any rights granted under the Franchise Agreements then in effect between you and us in which you are in compliance. After the expiration or termination of your Development Agreement, we may own, operate, franchise or license others to operate additional Units anywhere, without restriction, including in your Development Area, except for any Assigned Territories under your Franchise Agreement(s) which remain in effect.

Except as limited above in this Item 12, we and our affiliates retain all rights with respect to ALittle Tea Shops, the Marks, the sale of similar or dissimilar products and services and any other activities we deem appropriate whenever and wherever we desire, including (1) the right to own or operate, or license others to own or operate ALittle Tea Shops immediately adjacent to your Development Area or anywhere outside of your Development Area; (2) the right to operate or license other to operate similar businesses or any other businesses and services under trademarks or service marks other than the Marks in any location, both inside or outside of your Development Area; (3) the right to operate or license other to operate businesses that are not similar to an ALittle Tea Shop under the Marks in any location, both inside or outside of your Development Area; and (4) the right to offer any products or services (including the products and services you offer at the Franchised Tea Shop) through other channels of distribution (including grocery stores, the Internet and other non-tea shop outlets) both inside and outside of your Development Area. We are not required to pay you if we exercise any of the rights specified above inside your Development Area.

We and our affiliates have the right to purchase, merge, acquire, be acquired by or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities as "ALittle Tea" operating under the Marks or any other marks following our purchase, merger, acquisition or affiliation, regardless of the location of these facilities (which you acknowledge may be within your Development Area, near your Development Area, or near any of your locations).

We and our affiliates may sell ourselves, our assets, our proprietary marks and/or our system to a third party; may go public; may engage in a private placement of some or all of our securities; may merge, acquire other corporations or entities, or be acquired by another corporation or entity; and/or may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring. With regard to any of the above sales, assignments and dispositions, you will, in the Development Agreement, expressly and specifically waive any claims, demands or damages arising from or related to the loss of our name, Marks, other proprietary marks (or any derivation of those marks), the System, other systems and/or the loss of association with or identification as a franchisee under the Development Agreement. If we assign our rights in the Development Agreement, nothing in this disclosure document or in the Development Agreement will be deemed to require us to remain in this business.

You have no options, rights of first refusal or similar rights to acquire additional franchises except as provide in the Development Agreement.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands we control. Under the Development Agreement, the continuation of your territorial exclusivity is dependent upon your compliance with the Development Schedule, as described above.

Neither we nor our affiliates operate, franchise, or have plans to operate or franchise a business under a different trademark which sells or will sell goods or services similar to those of ALittle Tea Shops.

ITEM 13
TRADEMARKS

We grant you the right to operate your Franchised Tea Shop under the Marks. The principal Marks are:

Mark	**USPTO Registration Number and Registration Date**	**Register**
	7243165 (Class 43), December 12, 2023 7243163 (Class 35), December 12, 2023 7243160 (Class 29), December 12, 2023 7243162 (Class 32), December 12, 2023 7243161 (Class 30), December 12, 2023	Principal
	4876401 (Class 35 and 43), December 29, 2015 5527110 (Classes 29, 30 and 32), July 31, 2018	Principal

The Marks are owned by Keng Shen Lou, the sole shareholder of our parent company, True Summit, and are licensed exclusively to us and our affiliates in the United States. Mr. Lou has granted us a license ("**Trademark License**") to use the Marks for purposes of franchising the System in the United States. The Trademark License provides that in the event the License Agreement is terminated for any reason, Mr. Lou will license the use of the Marks directly to our franchisees until such time as each Franchise Agreement expires or is otherwise terminated. No renewals or affidavits are yet due with respect to the registration of the Marks. Mr. Lou has filed all affidavits required to preserve and renew the registrations for the Marks.

We will grant you a nontransferable, non-sub licensable, non-exclusive license to use the Marks at the Franchised Tea Shop. You must follow our rules when you use the Marks. You cannot use any of the

Marks as part of a corporate name or with modifying words, designs or symbols except for those which we license to you. You may not use the Marks in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us.

There are currently no effective material determinations of the Patent and Trademark Office ("**PTO**"), the Trademark Trial and Appeal Board, the trademark administrator of this state or any court, and no pending infringement, opposition or cancellation proceedings, and no pending material litigation involving the Marks.

You must notify us immediately of any apparent infringement or challenge to your use of any Mark, or any claim by any person of any rights in any Mark. We will have the sole discretion to take such action as we deem appropriate and the right to exclusively control any litigation or administrative proceedings arising out of such infringement, challenge or claim. You must execute any and all instruments and documents, provide such assistance, and take any action that may be necessary or advisable to protect and maintain our interest in any litigation or other proceeding or otherwise to protect and maintain our interest in the Marks. The Franchise Agreement does not require us to participate in your defense and/or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a Mark or if the proceeding is resolved unfavorably to you.

If we decide to modify or discontinue the use of the Marks and/or to use one or more additional or substitute names or marks, you must make the changes at your own expense and without claim against us. You will need to comply within a reasonable time of the request.

ITEM 14
PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

We own no special patents which pertain to the System.

We have copyright rights in the Manual, sales material and brochures, and related items used in operating the franchise. We have not registered these copyrights with the United States Registrar of Copyrights but need not do so at this time to protect them. You may use these items only as we specify while operating the Franchised Tea Shop.

There currently are no effective adverse determinations of the PTO, the Copyright Office (Library of Congress), or any court regarding the copyrighted materials. No agreement limits our right to use or allow others to use the copyrighted materials as provided in the Franchise Agreement. We do not actually know of any infringing uses of our copyrights that could materially affect your use of the copyrighted materials in any state.

We do not need to protect or defend the copyrights, although we intend to do so if it is in the System's best interest.

Although we have not filed an application for copyright registration for these materials, we have copyright rights and the information is proprietary. Item 11 describes limitations on the use of the Manual by you and your employees. You must also promptly tell us when you learn about unauthorized use of this proprietary information. We are not obligated to take any action but will respond to this information in a manner we think is appropriate.

The Franchise Agreement provides that all ideas, concepts, techniques, or materials concerning your Franchised Tea Shop, whether or not protectable 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 System, and works made-for-hire for us. To the extent any item does not qualify as a "work made-for-hire" for us, you assign ownership of that item and all related rights to that item, to us and must take whatever action (including signing assignment or other documents) we request to show our ownership or help us obtain intellectual property rights in the item. In the event that these requirements are found to be invalid or unenforceable, the Franchise Agreement provides that you and your owners grant to us a worldwide, perpetual, non-exclusive and fully paid license to use and sublicense the use of such ideas, concepts, techniques, innovations, developments, improvements, suggestions or materials.

The Franchise Agreement provides that you acknowledge that the System and the methods of operation licensed by us for the operation of an ALittle Tea Shop, are our proprietary, confidential trade secrets, and you agree to maintain the confidentiality of all materials and information lent or otherwise furnished to you by us at all times, including after the termination or expiration of the Franchise Agreement, for any reason.

Further, under the Franchise Agreement, you agree that you shall not, during the term of the Franchise Agreement (other than to the extent necessary to operate the Franchised Tea Shop) or after its expiration transfer or termination, for any reason, communicate or divulge to any others, any information or knowledge concerning the System and any trade secrets except those in the public domain. You also agree to exercise the highest degree of diligence and will make every effort to maintain the absolute confidentiality of all trade secrets and proprietary rights during and after the term of the Franchise Agreement.

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

As used in this paragraph, "you" also means your owners if you are a business entity. Although you are not required to personally participate in the day-to-day management of the Franchised Tea Shop, we recommend that you do, and no matter what your participation in management is, you are required to devote your best efforts to the operation of the Franchised Tea Shop. If you will actively participate in the management of your Franchised Tea Shop, then you must hire at least 1 designated manager. If you will not actively participate in the management of your Franchised Tea Shop, then you must hire at least 2 designated managers. You and all designated managers must successfully complete our Initial Training Program. There must be at least 1 person who have completed our Initial Training Program or are otherwise certified by us to manage an ALittle Tea Shop, and you will always need to have a minimum of 1 manager. You are required to carefully monitor and be responsible for the performance of anyone designated to manage the operation of your Franchised Tea Shop.

At our request, your officers, directors, shareholders, partners, members, owners, their respective spouses and all managerial employees must sign the Non-Competition and Confidentiality Agreement. All owners of any entity franchisee and their spouses must also sign a Guaranty and Assumption of Obligations in the form attached to the Franchise Agreement assuming and agreeing to discharge all of your obligations under your Franchise Agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We require you to offer and sell only those goods and services that we have approved. We have the right to change the types of required and/or authorized products and services and you will be notified by a bulletin or supplement to the Manual. You are prohibited from offering or selling any products or services not authorized or approved by us and from using the premises for any other purpose than the operation of an ALittle Tea Shop in compliance with the Franchise Agreement. In our discretion, we may approve or deny your request to eliminate some or add other menu items. To the extent permitted by applicable law, we may set the prices at which you sell your products and services. You will be required to add such equipment and make such alterations, at your expense, as may be necessary to equip the Franchised Tea Shop for sale of such products as we may require. You may need to make an additional investment to do so.

We require you, if permitted by applicable law, to participate in various programs and activities with other ALittle Tea Shops, including programs in which customers place orders via the Internet or mobile applications and any gift card or loyalty program we or our affiliates may establish from time to time, in accordance with the provisions either set forth in the Manual or otherwise disclosed to you. In order to participate in these programs and activities, you may be required to purchase additional equipment and pay applicable fees associated with the purchase, installation and training for this equipment. If we establish a gift card program, we have the right to determine how fees will be divided or otherwise accounted for, and we reserve the right to retain the amount of any unredeemed gift cards.

You are not permitted to solicit business through the distribution of individual advertising items, such as coupons and circular advertising outside of your Assigned Territory, without our consent.

Other than as described in this Item, we do not impose any restrictions or conditions that limit your access to customers.

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 AND OTHER AGREEMENTS	SUMMARY
a. Length of the franchise term	Section V of the Franchise Agreement Section III of the Development Agreement	2 years from signing the Franchise Agreement (or upon our approval, the grand opening of your Franchised Tea Shop). Your development rights begin on the date you sign the Development Agreement and pay the Development Fee and terminate on the earlier of the day you open the last Unit listed in the Development Schedule or the expiration date.
b. Renewal or extension of the term	Section V.C. of the Franchise Agreement	2 additional terms of 2 years each subject to Section V.C of Franchise Agreement. No renewal or extension provided in the Development

		Agreement.
c. Requirement for franchisee to renew or extend	Section V.C. of the Franchise Agreement	Give notice, sign new franchise agreement that may contain terms and conditions materially different from those in your previous franchise agreement (such as different fee requirements), provide evidence that your lease has been extended, sign release, remodel your Franchised Tea Shop and pay a renewal fee. Not applicable in the Development Agreement.
d. Termination by franchisee	Section XIII.B of the Franchise Agreement	If we breach agreement and do not cure or attempt to cure after notice. No contractual right for you to terminate the Development Agreement., but you may only terminate the Development Agreement under any grounds permitted by law.
e. Termination by franchisor without cause	Not Applicable	Not Applicable.
f. Termination by franchisor with cause	Section XIII.A of the Franchise Agreement Section VII.A of the Development Agreement	You have 10 days to cure monetary defaults or if you fail to open within 12 months and 30 days to cure all others except those listed in Sect. XIII.A.3. Generally, for a material breach of the Development Agreement.
g. "Cause" defined- defaults which can be cured	Section XIII.A of the Franchise Agreement	30 days to cure: (a) fail to comply with the Franchise Agreement or Manual; (b) lose possession of the premises for the Franchised Tea Shop; (c) default under the terms of the lease for the Franchised Tea Shop; (d) misrepresent Gross Sales in any report or fail to provide such report; (e) fail to obtain, lose or fail to comply with any required permits or licenses; (f) misuse the Marks

	Section VII.A of the Development Agreement	or Confidential Information; (g) commit any act which constitutes good cause under applicable state law; (h) fail to keep the Franchised Tea Shop open for 5 consecutive days; and (i) fail to pay any debt or tax when due; (j) surrender or transfer control of the Franchised Tea Shop; and (k) make an unauthorized Transfer of the Franchise Agreement or Franchised Tea Shop. 10 days to cure: (a) monetary defaults or (b) if you fail to open within 12 months. If you materially breach any Franchise Agreement and do not cure such breach within the cure period provided for in that Franchise Agreement.
h. "Cause" defined – non-curable defaults	Section XIII.A.3 of the Franchise Agreement Section VII.A of the Development Agreement	Non-curable defaults: (a) conviction of felony; (b) fraudulent activity that materially affects the Franchised Tea Shop or the System; (c) abandonment of the Franchised Tea Shop; (d) bankruptcy or insolvency; (e) giving insufficient funds checks more than 2 times within 12-month period; (f) material misrepresentations; (g) fail to comply with the Franchise Agreement for 2 or more times within a 12-month period, whether or not previously cured; and (h)any other act that permits termination without notice under applicable state law. If you fail to meet the Development Schedule, you transfer or encumber your rights in violation of the Development Agreement, you or your owner is convicted of a crime or you are bankrupt.

i. Franchisee's obligations on termination/non-renewal	Section XIII.C of the Franchise Agreement Section VII.B of the Development Agreement	Complete de-identification and payment of amounts due, return materials and Manual, direct transfer of phone and lease if requested. No rights to open additional Units; you must continue to operate the Units according to any existing Franchise Agreements that are not terminated.
j. Assignment of contract by franchisor	Section XVI.A of the Franchise Agreement Section VI.B of the Development Agreement	No restrictions on right to assign. No restrictions on right to assign.
k. "Transfer" by franchisee - defined	Section XVI.B of the Franchise Agreement Section VI.A of the Development Agreement	Transfer of contract or assets or ownership change. Transfer of rights under the Development Agreement or in you.
l. Franchisor approval of transfer by franchisee	Section XVI.B of the Franchise Agreement Section VI.A of the Development Agreement	We have the right to approve all transfers. You have no right to assign the Development Agreement.
m. Conditions for franchisor approval of transfer	Section XVI.B of the Franchise Agreement Section VI.A of the Development Agreement	Transferee qualifies, transfer fee paid, new franchise agreement signed, training of transferee, Franchised Tea Shop remodeled and release signed. Transfer fee paid, transferee qualifies, and release signed.
n. Franchisor's right of first refusal to acquire franchisee's business	Section XVI.D of the Franchise Agreement	We can match any offer for your business or an ownership interest in you. Not applicable in the Development Agreement.
o. Franchisor's option to purchase franchisee's business	Section XIII.D of the Franchise Agreement	After termination we can purchase your personal property at fair market value. Not applicable in the Development Agreement.
p. Death or disability of franchisee	Section XVI.D of the Franchise Agreement	Heir must be approved but no right of first refusal.

		Not applicable in the Development Agreement.
q. Noncompetition covenants during the term of the franchise	Section XII of the Franchise Agreement	No involvement in a Competitive Business except as duly licensed by us. No employment of an employee of an ALittle Tea Shop or of us or our affiliates or franchisees. Not applicable in the Development Agreement.
r. Noncompetition covenant after the franchise is terminated or expires	Section XII of the Franchise Agreement	No involvement in a Competitive Business except as duly licensed by us for 2 years within 3 miles of any ALittle Tea Shop and the Franchised Tea Shop. No employment of an employee of an ALittle Tea Shop or of us or our affiliates or franchisees. Not applicable in the Development Agreement.
s. Modification of the agreement	Sections XV and XIX.C of the Franchise Agreement Section IX.L of the Development Agreement	No modification generally but Manual and system subject to change. Amendments must be in writing and signed by you and us.
t. Integration/merger clause	Sections XV and XIX.C of the Franchise Agreement and Section IX.L of the Development Agreement	Only the terms of the Franchise Agreement and Development Agreement are binding (subject to state law). Any representations or promises outside of the Disclosure Document, Franchise Agreement and Development Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section XIX.F of the Franchise Agreement Section VIII of the Development Agreement	Except for certain claims and subject to state law, all disputes must be mediated and arbitrated in Los Angeles County, CA. Except for certain claims and subject to state law, all disputes must be mediated and arbitrated

		in Los Angeles County, CA.
v. Choice of forum	Section XIX.F of the Franchise Agreement Section IX.G of the Development Agreement	Arbitration must be in Los Angeles County, CA (subject to state law).* Arbitration must be in Los Angeles County, CA (subject to state law).*
w. Choice of law	Section XIX.F of the Franchise Agreement Section IX.G of the Development Agreement	Law of the state where the Franchised Tea Shop is located (subject to state law).* Law of the state where the Franchised Tea Shop applies (subject to state law).*

*If a state regulator requires us to make additional disclosures related to the information contained in this disclosure document, these additional disclosures are contained in a State Law Addendum included in Exhibit D of this Disclosure Document.

ITEM 18
PUBLIC FIGURES

We do not use any public figure to promote this 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 consider 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.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. 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 Chih-Cheng Hsu, 425 West Valley Boulevard, Suite 140-505, San Gabriel, California 91776, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE 1
Systemwide Outlet Summary
For Years 2022 to 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised Outlets	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Company-Owned	2022	0	0	0
	2023	0	1	1
	2024	1	3	2
Total Outlets	2022	0	0	0
	2023	0	1	1
	2024	1	3	2

TABLE 2
Transfer of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2022 to 2024

State	Year	Number of Transfers
Total	2022	0
	2023	0
	2024	0

TABLE 3
Status of Franchised Outlets
For Years 2022 to 2024

State	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Opera-tions-Other Reasons	Outlets at End of the Year
Total	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0

TABLE 4
Status of Company-Owned Outlets
For Years 2022 to 2024

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
California	2022	0	0	0	0	0	0
	2023	0	1	0	0	0	1
	2024	1	2	0	0	0	3
Total	2022	0	0	0	0	0	0
	2023	0	1	0	0	0	1
	2024	1	2	0	0	0	3

* We do not own or operate any ALittle Tea Shops, but our affiliate, YDD, owns and operates ALittle Tea Shops, which is substantially similar to a Franchised Tea Shop.

Attached as Exhibit E is a list of names, city and state and current business telephone numbers of all of our franchisees (none) as of the date of this Franchise Disclosure Document. Since we have just begun franchising, we had no franchisee who had an outlet terminated, canceled or not renewed, or that otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or had not communicated with us within 10 weeks of the issuance date of this Franchise Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Since we are a new franchisor, no franchisees have signed confidentiality provisions in the last 3 years that would restrict their ability to speak openly about their experience with the System.

There are no trademark-specific franchise organizations associated with our System.

TABLE 5
Projected Openings as of December 31, 2024

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In the Next Fiscal Year
California	0	1	1
Total	0	1	1

During the last 3 fiscal years, we have not signed any confidentiality clauses with current or former franchisees which would restrict them from speaking openly with you about their experience with us.

There are no trademark-specific franchise organizations associated with our System.

ITEM 21
FINANCIAL STATEMENTS

We are in the first year of selling franchises. Accordingly, attached to this Franchise Disclosure Document as Exhibit F is our balance sheet as of December 31, 2024, and the related statements of operations and statement of cash flows for the period from April 30, 2024 (inception) to December 31, 2024, prepared in accordance with U.S. Generally Accepted Accounting Principles and reviewed by an independent certified public accountant.

The franchisor has not been in business for three years or more and cannot include all the financial statements required by the FTC Franchise Rules for its last three fiscal years.

The franchisor's fiscal year end is December 31.

ITEM 22
CONTRACTS

The following are attached to this disclosure document:

Exhibit A – Franchise Agreement

Exhibit B – Area Development Agreement

ITEM 23
RECEIPTS

Two copies of an acknowledgment of your receipt of this Disclosure Document appear at the end of the Disclosure Document as Exhibit H. Please return one signed copy to us and retain the other for your records.

EXHIBIT A
FRANCHISE AGREEMENT

(see attached)

ALITTLE TEA
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT is entered into this ___day of _____________, 20__, by and between Dian Dian Food Service LLC, a Delaware limited liability company (“**us**,” “**our**,” or “**we**”), and ___________________________, a _____________________(“**you**” or “**your**”).

RECITALS

1. We are authorized to sublicense the Marks in connection with the operation of ALittle Tea Shops in the United States of America; and

2. You recognize the benefits from being identified with and sublicensed by us, desire a franchise to establish and operate an ALittle Tea Shop using the Marks and System, and we are willing to grant such a franchise on the terms and conditions in this Agreement.

NOW, the parties agree as follows:

I DEFINITIONS

For purposes of this Agreement, the following terms will have the meaning as defined below.

A. “**Affiliates**” means individually or collectively, any and all entities controlling, controlled by, or under common ownership with the person or entity in question. For us, our Affiliates include ALittle Corporation, True Summit Group Limited and Yi Dian Dian California LLC. In this definition, “control” and similar terms means owning more than 50% of the voting interest in an entity.

B. “**ALittle Tea Shop**” means the Franchised Tea Shop and any other tea shop operating under the System and Marks, whether owned by us or any of our Affiliates, or licensed or franchised by us or any of our Affiliates.

C. “**Competitive Business**” means (a) any tea shop that derives ten percent (10%) or more in Gross Sale from the sale of gourmet teas, various flavored tea-based beverages, including boba tea beverages, or (b) any business operation that develop, operate or franchise tea shops that derives ten percent (10%) or more in Gross Sale from the sale of gourmet teas, various flavored tea-based beverages, including boba tea beverages.

D. “**Franchised Tea Shop**” means the ALittle Tea Shop which is the subject of this Agreement.

E. “**Gross Sales**” means the total amount of all sales of products, services and merchandise sold from, through, or in connection with the Franchised Tea Shop, whether for cash, on credit, barter or otherwise, exclusive of applicable sales, use or service taxes.

F. “**Marks**” means such service marks, trademarks, trade dress, trade names, logos and commercial symbols, and all configurations and derivations thereof, as may presently exist, or which may be modified, changed, or acquired by us and our Affiliates, in connection with the operation of the business contemplated by this Agreement. Marks include, without limitation, “ ”

G. "**Non-Traditional Location**" means a location that is in a transportation facility, sporting facility, shopping mall, food court, farmer's markets, educational facility or military facility or temporary locations such as kiosks and mobile units.

H. "**Principal Owner**" means you, if you are a sole proprietor; the majority shareholder of you, if you are a corporation; a partner owning a majority interest of you, if you are a partnership; or a member owning the majority interest of you, if you are a limited liability company. In the event there are multiple owners with equal interest in you, then you will designate one of these owners to be the Principal Owner for purposes of this Agreement.

I. "**System**" means a specially developed method of operating a tea shop under the Marks using certain procedures and methods, recipes, site evaluation criteria, layouts, methods, advertising, sales and promotional techniques, personnel training, trade secrets and any other matters relating to the operation and promotion of an ALittle Tea Shop as they may be changed, improved, modified and further developed by us or our Affiliates from time to time.

J. "**Term**" means, individually or collectively, the Initial Term, any Continuation Term and any Renewal Term of this Agreement.

K. "**Transfer**" means and includes any voluntary or involuntary, direct or indirect, assignment, sale, gift, conveyance, lease or other disposition of an interest in this Agreement, you or the Franchised Tea Ship, including but not limited to (a) transfer of any capital stock, partnership interest, limited liability company interest or other ownership interest, (b) merger, consolidation, reorganization, business combination or other issuance of additional stock or ownership interests, (c) transfer in bankruptcy or dissolution of marriage or otherwise by operation of law or by order of court, (d) transfer to a personal representative upon disability or transfer upon the death of you or a Principal Owner, (e) the grant or creation of any lien or encumbrance on any ownership interest or asset, (f) the grant of any option, call, warrant, conversion rights, or rights to acquire any equity or voting interest, (g) assignment of contract rights, or (h) sale of assets (including the inventory, furniture, fixtures, equipment and other operating assets of the Franchised Tea Shop, other than in the ordinary course of business).

L. "**You**" or "**Your**" also includes (a) those persons and their spouses owning any interest in you, if you are a corporation or a limited liability company, (b) all partners and their spouses owning any partnership interest in you, if you are a partnership, (c) the individual and his or her spouse who owns you, if you are a sole proprietorship, (d) the guarantors of this Agreement, and (e) the Principal Owner. For purposes of determining ownership in you, the interests owned by a husband and wife will be considered one interest, and both husband and wife will be obligated hereunder, regardless of whether the interest is owned by just one spouse or both spouses.

II GRANT OF FRANCHISE

A. Grant of License. We grant to you, and you accept from us, a non-exclusive right to use the System and Marks to open and operate one (1) ALittle Tea Shop to be located at the location listed in Exhibit A (the "**Site**") during the Term of this Agreement. If no Site is specified at the time you and we sign this Agreement, an appropriate location will be specified when it is determined, and you and we agree to initial a completed Exhibit A (or complete a new Exhibit A or other document required by us) describing that location. In order for you to operate an ALittle Tea Shop at an additional location, a separate Franchise Agreement must be signed, and you will be required to pay us an additional initial franchise fee for such additional location.

B. **Assigned Territory.** You are granted an Assigned Territory, which is described on Exhibit A (the "**Assigned Territory**"). The Assigned Territory will be determined at the time the Site is agreed to by both parties and will be specified in Exhibit A, which you and we will initial. During the Term of this Agreement so long as you are not in default, we and our Affiliates will not locate, operate, or grant a license or franchise for another ALittle Tea Shop within your Assigned Territory other than in a Non-Traditional Location. A Non-Traditional Location is not considered part of the Assigned Territory, even if it located within the geographic boundaries of the Assigned Territory. If your Site is in a Non-Traditional Location, you will not have an Assigned Territory.

C. **Retention of Rights.** We, on behalf of ourselves and our Affiliates, reserve all rights not specifically granted to you in this Agreement, all without compensation to you, including but not limited to the following:

1. We and our Affiliates may own or operate, or license or franchise others to own or operate, ALittle Tea Shops anywhere outside of the Assigned Territory and at any Non-Traditional Location within and outside of the Assigned Territory.

2. We and our Affiliates are allowed to own, open, franchise, operate, and/or manage any businesses or tea shops within the Assigned Territory or outside of the Assigned Territory under trademarks or service marks different than the Marks.

3. We and our Affiliates are allowed to own, open, franchise, operate, and/or manage any business or tea shops within the Assigned Territory or outside of the Assigned Territory under systems that are different than the System.

4. We and our Affiliates may develop, merchandise, sell and license others to sell products bearing the Marks through other channels of distribution such as grocery stores, the Internet and any other non-tea shop outlets within the Assigned Territory or outside of the Assigned Territory, and we may promote, sell and license others to sell products bearing the Marks at promotional events, athletic contests, and other special events within the Assigned Territory or outside of the Assigned Territory.

5. We and our Affiliates have the right, now or in the future, to purchase, be purchased, merge, acquire, be acquired or affiliated with an existing competitive or non-competitive franchise network, chain or any other business, and we, our Affiliates or the successor has the right to operate, franchise or license those businesses and/or facilities as "ALittle Tea" tea shops operating under the Marks or any other marks following such purchase, merger, acquisition or affiliation. Notwithstanding the foregoing, following our purchase, merger, acquisition or affiliation, neither we nor our Affiliates will operate, or franchise or license others to operate an ALittle Tea Shop within your Assigned Territory.

6. We and/or our Affiliates may sell ourselves, our assets, our proprietary marks, our rights to the Marks, our system(s) and/or our rights to the System to a third party, may go public, may engage in a private placement of some or all of our securities, may merge, acquire other corporations or entities, or be acquired by another corporation or entity, and/or may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring. With regard to any of the above transfers, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of our name, the Marks (or any variation thereof), the System and/or the loss of association with or identification of "ALittle Tea" as a franchisee under this Agreement. If we assign our rights in this Agreement, nothing will be deemed to require us to remain in the tea shop business or to offer or sell any products or services to you.

III LOCATION AND LEASE

A. Site Selection. You will select the proposed Site for the location of the Franchised Tea Shop and submit a completed Site analysis package, including demographics and other material requested by us containing all information reasonably required by us to assess a proposed Site. Within thirty (30) days after receipt of all of the requested information, we will advise you whether the proposed Site is acceptable. We are not responsible for, and do not make any representations or warranties regarding, the suitability of the Site. Our consent to a Site means only that the Site meets our minimum standards for an acceptable location of an ALittle Tea Shop. You are primarily responsible for investigating the Site and having any lease(s) or contract(s) for the Site reviewed and approved by your advisors, such as your attorneys and accountants.

B. Site Acquisition.

1. Our Consent to Lease. If you intend to lease the Site, you must submit a copy of the proposed lease for the Site to us for our approval, and within ten (10) days of signing the lease for the Site, you must provide us with a copy of the executed lease. The term of the lease plus all renewal option period together must equal or exceed the Term of this Agreement. Our consent to the lease means only that the lease meets our minimum standards and is not a representation or warranty as to the appropriateness of the lease or any of its terms. Your lease for the Site must contain substantially the same terms as found on Exhibit B. We strongly recommend that you hire a professional leasing agent to assist you in determining the Site location and lease negotiations. We may recommend or approve leasing agents; however, we are not liable for any acts or omissions of these agents.

2. Proof of Ownership. If you intend to own the Site, you must furnish to us proof of ownership or an executed sale contract for the Site. Your submission of proof of ownership or an executed sale contract will be deemed a representation and warranty by you that the Site can be utilized for tea shop purposes according to the terms of this Agreement. You must create a separate entity to own the Site and then lease the Site to you at its full rental value and on commercially reasonable terms.

3. Relocation. So long as you are not in default under this Agreement, you may relocate the Franchised Tea Shop within the Assigned Territory with our prior written consent. However, the Assigned Territory for the relocated Site will be subject to renegotiation. Regardless of the reason for relocating, you agree to pay all costs and expenses of relocating the Franchised Tea Shop, including the cost of a demographic study and our cost and expenses in reviewing the proposed site.

IV INITIAL FEES

A. Initial Franchise Fee. You must pay us an initial franchise fee (the "**Initial Franchise Fee**") when you sign this Agreement. The amount of the Initial Franchise Fee is Fifteen Thousand Dollars ($15,000.00). The Initial Franchise Fee is fully earned when paid and not refundable under any circumstances.

B. Security Deposit. You must pay us a security deposit (the "**Security Deposit**") in the amount of Five Thousand Dollars ($5,000.00) when you sign the Franchise Agreement to secure your obligations under the Franchise Agreement and your purchases of products from us. Within thirty (30) days after the expiration or earlier termination of your Franchise Agreement, any remaining amount of Security Deposit will be refunded to you.

C. Tea Shop Development Fee. You must pay us a tea shop development fee (the "**Tea Shop Development Fee**") equal to five percent (5%) of the actual "hard cost" for the construction and remodeling of your Franchised Tea Shop, such as general contractor costs (e.g., labor, overhead and profit), subcontractors costs (e.g., electrical, plumbing and HVAC) and materials (e.g., structural materials, finish materials, fixtures and furnishings. The Tea Shop Development Fee is due and payable after the completion of construction, but prior to the grand opening, of your Franchised Tea Shop.

V TERM

A. Term. The initial term of this Agreement will begin on the date of this Agreement (or upon our approval, the grand opening of your Franchised Tea Shop), and, unless it is terminated earlier according to the terms of this Agreement, will expire two (2) years later ("**Initial Term**").

B. Continuation. If you continue to operate the Franchised Tea Shop with our express or implied consent following the expiration of the Term of this Agreement, the continuation ("**Continuation Term**") will be a month-to-month extension of this Agreement, unless otherwise set forth in writing. All provisions of this Agreement will apply while you continue to operate the Franchised Tea Shop. This Agreement will then be terminable by either party upon thirty (30) days prior written notice to the other party.

C. Renewal. If you are in full compliance with the terms of this Agreement, you will have the right to renew for two (2) additional terms of two (2) years each (each, a "**Renewal Term**"); provided you agree to execute the most current form of franchise agreement being utilized by us at the time you renew. The most current form of franchise agreement may contain significantly different terms than this Agreement. In any event, we may, in our sole and absolute discretion, refuse to renew this Agreement if you have been notified of defaults (even if subsequently cured) under this Agreement more than two (2) times during the Initial Term or more than two (2) times during any Renewal Term, even if you are not in default at the time of the renewal. You agree to give us not less than six (6) nor more than twelve (12) months written notice of an election to renew this Agreement, prior to the end of the Initial Term or Renewal Term, as applicable. Your failure to timely give us this notice will be deemed an election not to renew this Agreement. As a condition to each renewal, you will also be required to pay us a renewal fee equal to Five Thousand Dollars ($5,000.00) for each Renewal Term. Additionally, you must renovate the Franchised Tea Shop to meet our then-current standards of decor in accordance with the provisions of our Manual (as defined in Section XV below), and you must execute a general release, to the extent permitted by applicable law, of any and all claims against us and our Affiliates, and our and our Affiliates' respective owners, officers, directors, employees, agents, successors and assigns arising under or from this Agreement and/or any related agreements between you and us or our Affiliates, or under any applicable law, rule or regulation.

VI CONTINUING FEES

A. Royalty Fee. You will pay us a continuing monthly royalty fee of three percent (3%) of your Gross Sales for the preceding month (the "**Royalty Fee**").

B. Marketing Fee. You will pay us a continuing monthly marketing fee of up to two percent (2%) of your Gross Sales for the preceding month (the "**Marketing Fee**") which will be deposited into the Advertising Fund (as defined below). Currently, the Marketing Fee is one-half percent (0.5%) of your Gross Sales. However, we have the right to increase the Marketing Fee, but we cannot increase the Marketing Fee more than one-half percent (0.5%) of your Gross Sales each calendar year, and the maximum Marketing Fee is two percent (2%) of your Gross Sales.

C. Time and Manner of Payments. Royalty Fees and Marketing Fees will be paid on the fifth (5^{th}) day of each calendar month for Gross Sales generated in the preceding calendar month (unless a legal holiday in the jurisdiction where the Franchised Tea Shop is located falls on such day, in which case the payment will be made on the next day which is not a legal holiday), and all of these payments together with the other amounts due to us or our Affiliates will be made via electronic funds transfer ("**EFT**") or such other manner which we may designate from time to time. None of these fees are refundable. Any payment or report not received by us on or before the date they are due will be deemed overdue. You will comply with the procedures specified in the Manual or as otherwise communicated for such EFT program and will perform the acts and sign any documents reasonably requested by us, including authorization forms that we, our bank, and your bank may require to accomplish payment by EFT, including authorizations for us to initiate debit entries and/or credit correction entries to a designated checking or savings account. In addition, you will pay all costs associated with utilizing an EFT payment program. If you fail to timely report to us, in addition to any applicable late charges, we have the right, but not the obligation, to debit from such account an estimated amount based on our reasonable estimation of your Gross Sales.

D. Interest on Late Payments. If Royalty Fees, Marketing Fees, or any other amounts due to us or our Affiliates are overdue, we have the right to charge interest on these overdue amounts equal to the lesser of one percent (1%) per month or the maximum legal rate in the jurisdiction where the Franchised Tea Shop is located. Our right to interest is in addition to any other remedies that we may have.

E. No Right of Offset. You agree to make prompt payment, without deduction or set-off, of all charges which are properly due, including the Royalty Fees and Marketing Fees. You cannot withhold any payment to us or our Affiliates on the grounds of non-performance by us of any of our obligations hereunder.

F. Under-Reporting. If it is found that you under-reported Gross Sales, you will reimburse us for the amount of the Royalty Fees and Marketing Fees that would have been due had Gross Sales been reported accurately, plus interest on those amounts at the rate of the lesser of one percent (1%) per month or the maximum legal rate in the jurisdiction where the Franchised Tea Shop is located. In addition, if the amount of Gross Sales reported for any calendar month is less than ninety eight percent (98%) of the actual Gross Sales for that period, you agree to reimburse us for all costs and expenses related to our investigation or audit that uncovered the under-reported Gross Sales, including salaries, professional fees, travel, meals and lodging. Further, if the amount of Gross Sales reported for any calendar month is less than ninety five percent (95%) of the actual Gross Sales for that period, we may require you to maintain and deliver to us, from time to time, financial statements audited by an independent certified public accountant.

G. Late Fee. If you fail to send us any report when due and/or fail to make a payment when due, we can charge you, to the extent permitted by applicable law, a late fee of Five Hundred Dollars ($500.00) plus Five Hundred Dollars ($500.00) for each week the report and/or payment is late. You acknowledge and agree that such late fee represents a fair and reasonable estimate of the costs that we will incur by reason of any such late reporting and/or payment, and the payment of late fees and interest are distinct and separate in that the payment of interest is to compensate us for the use of our money by you, while the payment of late fees is to compensate us for our processing, administrative and other costs incurred by us as a result of your delinquent reports and/or payments.

H. Taxes. You agree to indemnify and reimburse us and our Affiliates for any and all capital, gross receipts, sales, and other taxes and assessments imposed by any applicable state or local governmental authority as a result of the conduct of the Franchised Tea Shop's business or the license/sublicense of any of our or our Affiliates' intangible property rights to you (whether required to be paid by us or our Affiliates, withheld by you or otherwise). Your obligation to indemnify and reimburse us or our Affiliates for these taxes does not extend to income-type taxes which a state or local government imposes on us or our Affiliates' income.

VII ADVERTISING

A. Advertising Fund. Marketing Fees will be deposited into the Advertising Fund ("**Advertising Fund**"). The Advertising Fund will be used to provide advertising and promotional activities we deem beneficial to the System. We agree to use the Marketing Fees received from you for the payment of costs associated with the creation, production, distribution, media placement, website maintenance and enhancements and administration of local, state, regional or national advertising programs we may develop or have developed, and for any taxes incurred in connection with such activities. The Advertising Fund is intended to maximize recognition of the Marks and the patronage of the ALittle Tea Shops generally. Although we will try to use the Advertising Fund to develop and place advertising and marketing materials and programs that will benefit all ALittle Tea Shops, we do not guarantee that the Advertising Fund expenditures in or affecting any geographic area will be proportionate or equivalent to the Advertising Fund contributions by ALittle Tea Shops operating in that geographic area or that any particular ALittle Tea Shop will benefit directly or in proportion to its Advertising Fund contributions. We have the right to determine the type of advertising and the media in which it will appear, as we feel is appropriate. We have the sole right to formulate and make policy decisions concerning every aspect of the advertising, consistent with applicable law. We do not have to spend the funds in the Advertising Fund during any specific time period. Advertising may be handled by us, our Affiliates or a third party, such as an outside advertising agency, which we select.

Unaudited financial statements of the Advertising Fund will be made available to you on your reasonable request. If we do not use all of the funds in the Advertising Fund in a particular fiscal year, the remaining funds will be carried over to the next fiscal year and be included in that year's advertising budget. We are entitled to reimbursement from the Advertising Fund to cover our administrative and overhead expenses associated with operating and maintaining the Advertising Fund. The Advertising Fund is not our asset. The Advertising Fund is not a trust. We have a contractual obligation to hold all Advertising Fund contributions for the benefit of the contributors and to use the contributions only for the purposes described above. We have no fiduciary obligation to you for administering the Advertising Fund. We reserve the right to dissolve and terminate the Advertising Fund as we elect.

B. Your Own Advertising. Other than contributions to the Advertising Fund, your grand opening advertising obligations and any local or regional cooperative which may be formed in the future, you are not required to spend any particular amount on advertising and promoting your Franchised Tea Shop locally, but we encourage you to advertise and promote the Franchised Tea Shop locally. We must consent to your use of any advertising and sale promotion materials before you use them. You must submit all of your advertising and sale promotion materials to us or our designee at least thirty (30) days prior to use. If we do not approve these materials within twenty (20) days, we will be deemed to have rejected to your use of them. You must procure all advertising and sale promotion materials from us or our designated third-party vendor. To the extent permitted by applicable law, we may set prices for the products or services you offer at the Franchised Tea Shop.

You will not advertise, or use in advertising or other form of promotion, the Marks without the appropriate copyright, trademark, and service mark symbols ("©", "®", "TM" or "SM") as we direct. You will not to distribute individual advertising items (i.e., coupons, circular advertising, etc.) outside of your Assigned Territory, unless you use a form of advertising which is not programmed to restrict delivery to the Assigned Territory, such as direct mail advertising by outside contractors based on zip codes. Except as otherwise permitted, you may not maintain a presence on the Internet for your Franchised Tea Shop without our consent. Any advertising on the Internet, delivered by facsimile, electronic mail or other electronic means must be pre-approved by us and on terms specified by us. We may require you to place all such electronic advertisements with us or our designated third-party vendor.

C. Grand Opening Advertising. ln addition to the other advertising requirements, you are required to spend a minimum of Three Thousand Dollars ($3,000.00) on grand opening advertising and sales promotions within the first fourteen (14) days of your Franchised Tea Shop's grand opening. Within Twenty-Eight (28) days after the opening of your Franchised Tea Shop, you must provide us proof of your expenditures in the form and with the details, including copies of all grand opening advertising materials and receipts, as we may request.

D. Local Advertising Cooperative. We reserve the right to identify certain advertising markets that may benefit from the formation of a local or regional advertising cooperative. Any cooperative we established will be required to operate under governing documents we approve. If your Franchised Tea Shop is located in an area that we have designated for an advertising cooperative, we have the right to require you to join the cooperative. Members of a cooperative may be required to pay monthly contributions to the cooperative at the rates established by the governing body of such cooperative. Any such contribution will be in addition to the other marketing and advertising fees required under this Agreement, including the Marketing Fee. The members and their elected officers will be responsible for the operation of the advertising cooperative, but we will have the right to approve all advertising, marketing and public relations activities of the cooperative. We reserve the right to change, dissolve or merge any cooperative we establish.

VIII OUR GENERAL DUTIES

A. Initial Training. We will provide an initial training program for the operation of an ALittle Tea Shop using the System and Marks for the Principal Owner and up to five (5) additional people, including your designated manager(s) (the "**Initial Training Program**"). The Initial Training Program is furnished after this Agreement is signed and prior to the opening of the Franchised Tea Shop. The Initial Training Program will be furnished at such time and place as we may designate. You will pay all transportation, lodging, meals and other expenses incurred by you and your employees in attending this program. If the Principal Owner will be involved in the day-to-day management of the Franchised Tea Shop, then you must designate at least one (1) other manager of the Franchised Tea Shop. If the Principal Owner will not be involved in the day-to-day management of the Franchised Tea Shop, then you must designate at least two (2) managers of the Franchised Tea Shop. Your Principal Owner and all designated manager(s) must attend and satisfactorily complete the Initial Training Program fourteen (14) days before the grand opening of the Franchised Tea Shop. If these persons fail to complete the Initial Training Program to our satisfaction, we have the right to terminate this Agreement. Satisfactory completion of the Initial Training Program is, however, no assurance of the success of the Franchised Tea Shop. The Initial Training Program may be modified by us at any time as we deem necessary. We do not charge for the Initial Training Program for up to six (6) attendees, but you are responsible for wages, travel, and living expenses for you and your attendees in connection with the Initial Training Program. Any person you designate as a manager of the Franchised Tea Shop must complete our Initial Training Program. If your designated manager or Principal Owner no longer exercises day-to-day control over the Franchised Tea Shop, you must designate a new designated manager or Principal Owner within thirty (30) days and this new designated manager or Principal Owner must attend and complete our Initial Training Program at your sole cost and expense within sixty (60) days after the time this person is designated.

B. Subsequent Training. We may offer training for your new employees who were not initially trained pursuant to the Initial Training Program. We may also provide refresher programs to experienced employees or managers. We are permitted to charge a reasonable fee for any subsequent training we may offer or require. We reserve the right to designate certain training programs or meetings as mandatory and to treat your failure to have a representative attend as a material breach of this Agreement.

You must pay the compensation of the trainees as well as such trainees' travel, lodging and personal expenses during any subsequent training.

C. Continuing Advisory Assistance. We may make available continuing advisory assistance in the operation of the Franchised Tea Shop, rendered in such manner and available from time to time, as we may deem appropriate. We reserve the right to charge a reasonable fee for such continuing advisory assistance.

D. Layout and Design. In consideration for the Tea Shop Development Fee, we will provide you with a preliminary layout and drawings of your Franchised Tea Shop and other suggestions. These suggestions will not include the requirements of any federal, state or local law, code or regulation, including those concerning the Americans with Disabilities Act or similar laws governing public accommodations for persons with disabilities, nor will such suggestions include the requirements of, or be used for, construction drawings or other documentation necessary to obtain permits or authorization to build a specific ALittle Tea Shop.

IX YOUR GENERAL DUTIES

A. Franchised Tea Shop Opening and Construction. You agree to begin operation of the Franchised Tea Shop within twelve (12) months after this Agreement is accepted and executed by us. You will construct and equip the Franchised Tea Shop according to the specifications prepared by you, subject to our right to consent. You must pay for the cost of construction drawings and other documentation necessary to build, obtain permits or receive other necessary authorizations for constructing the Franchised Tea Shop. You must submit these plans and other documents, along with any revisions of them made during the construction process, to us for our consent prior to your use of them. Our review will be limited to reviewing these plans and documents to assess compliance with our design specifications and standards for ALIttle Tea Shops, including items such as trade dress, presentation of trademarks, and the provision to the potential customer of certain products and services that are central to the functioning of the Franchised Tea Shop under the System. Our review is not designed to assess, nor does it assess, compliance with federal, state or local laws and regulations, including the Americans with Disabilities Act, as compliance with such laws is the sole responsibility of you. All of the Design and Construction Personnel used in connection with your Franchised Tea Shop must be, at our discretion, designated by us or otherwise approved by us. "**Design and Construction Personnel**" means any person or entity engaged by you in connection with the design and/or construction of your Franchised Tea Shop, including but not limited to, designers, space planners, architects, engineers and general contractors. All amounts owed to us and our Affiliates, including but not limited to the Initial Franchise Fee, Security Deposit and Tea Shop Development Fee, must be fully paid prior to the opening of the Franchised Tea Shop. The opening of the Franchised Tea Shop may be delayed only if the delay is caused by contingencies not within your control, like acts of God, governmental restrictions, strikes or labor disputes, the occurrence of which we are given notice within a reasonable period of time, but in no event more than fifteen (15) days following such occurrence. You will use your best efforts to cure any delay. Any permitted delay in the commencement of operations of the Franchised Tea Shop will only be for a period of days equal to the number of days during which such event actually prevents the commencement of operations of the Franchised Tea Shop.

B. Use of Name and System. You agree that during the Term, you will operate, advertise and promote the Franchised Tea Shop under the name "ALittle Tea" without prefix or suffix and to adopt and use the Marks and System licensed hereunder solely in the manner prescribed by us. You agree to identify the Franchised Tea Shop with signage(s) in compliance with applicable local ordinances and approved by us.

C. Compliance with Laws. You agree to operate the Franchised Tea Shop in compliance with all applicable laws and governmental regulations and in accordance with the operational standards we may establish from time to time. At all times you will comply with all federal, state, municipal and local laws, rules, regulations, ordinances and codes applicable and related to this Agreement, the Franchised Tea Shop, and all aspects of the business of the Franchised Tea Shop. You must obtain all licenses and permits required by any applicable federal, state, municipal and local law, rule, regulation, ordinance and code to operate the Franchised Tea Shop as required by this Agreement. You must make timely filings of all tax returns and pay when due all taxes levied or assessed on and related to this Agreement and/or the Franchised Tea Shop. At no time are we required to inform you of any federal, state, municipal or local law, rule, regulation, ordinance, code or tax. Within five (5) days of your receipt of any health and/or food safety inspection report from any governmental authority, you must forward a copy of such reports to us. You represent to us that your signature on and performance of this Agreement does not violate or constitute a breach of the terms of any other agreement or commitment to which you are a party.

D. Standards of Operation. The Franchised Tea Shop must conform with the mandatory standards relating to signage, color scheme, appearance, hours of operation, cleanliness, sanitation, size of food, item portions, menus, ingredients, methods of preparation, employee uniforms, type of equipment, and decor, as designated by us. Unless we give you our prior consent, you must offer all menu items and other products and services required by us in our Manual or in any other written instruction we give to you. You will not conduct any business or sell any products other than those approved by us and agree to, at all times, dispense and sell such food items which are prepared in accordance with our recipes and which meet our uniform standards of quality, quantity, appearance, and taste. Uniformity of products and services offered by all ALittle Tea Shops is of utmost importance to us and the entire System. If you offer to sell or do sell products or services which are not authorized or are not prepared in accordance with the Manual or if you fail to keep your Franchised Tea Shop open and operating during the required days/hours, you agree that we will be damaged. These damages will be calculated at the rate of One Thousand Dollars ($1,000.00) per day for each day you offer or sell unauthorized products or services or fail to prepare the products in accordance with the Manual or fail to keep your Franchised Tea Shop open, and will be in addition to any other rights and remedies we may have against you. We have the right to collect these amounts in addition to exercising any and all other rights we may have for non-compliance under this Agreement. You agree that a precise calculation of the full extent of the damages that we will incur from the offer or sale of unauthorized products and services is difficult to determine and all parties desire certainty in this matter. Accordingly, you agree that the damages provided here are reasonable and constitute liquidated damages and not a penalty.

You will not sell any product which is adulterated, contaminated, spoiled, unsafe, or otherwise unfit for human consumption. You must keep the premises of the Franchised Tea Shop clean and provide prompt and courteous service to all customers. However, we may, to the extent permitted by applicable law, set prices for the products or services you offer at the Franchised Tea Shop. You agree to, and will take all steps as are necessary to, ensure that all of your employees treat each customer fairly and provide services in an honest, ethical, and non-discriminatory manner. You must not advertise in a deceptive, misleading or unethical manner, and you agree to meet such minimum standards as we may establish from time to time in the Manual or in any other written instructions we give to you.

We require you, if permitted by applicable law, to participate in various programs and activities with other ALittle Tea Shops, including programs in which customers place orders via the Internet or mobile applications, limited time promotional offer and any gift card or loyalty program we or our Affiliates may establish from time to time, in accordance with the provisions either set forth in the Manual or otherwise disclosed to you. In order to participate in these programs and activities, you may be required to purchase additional equipment and pay applicable fees associated with the purchase, installation and training for this equipment. If we establish a gift card program, we have the right to determine how fees will be divided or otherwise accounted for, and, to the extent permitted by applicable law, we reserve the right to retain the amount of any unredeemed gift cards.

E. Staffing. You will maintain a competent, conscientious and well-trained staff. You will be solely responsible for all employment decisions and functions of the Franchised Tea Shop, including but not limited to those related to hiring, firing, training, wage and hour requirements, record-keeping, supervision, and discipline of employees.

F. Security and Safety Procedures. You are solely responsible for taking any and all necessary or appropriate security and safety measures to protect employees, customers, those engaging in business with you, those coming on the premises of the Franchised Tea Shop and the general public at large. We do not in any way share any of that responsibility.

G. Actual Participation. You recognize the importance of the Principal Owner's and/or designated managers' participation in the management of the Franchised Tea Shop and that the Principal Owner's and designated managers' agreement to participate in the management of the Franchised Tea Shop is a material inducement for us to enter into this Agreement. Therefore, you agree that either the Principal Owner and the designated manager(s) who has/have satisfactorily completed our Initial Training Program is required to use his or her best efforts and is personally responsible for the management of the Franchised Tea Shop on a day-to-day basis. In any event, the Principal Owner is required to carefully monitor and be responsible for the performance of anyone designated to manage the operation of the Franchised Tea Shop. Supervisory personnel, including your designated manager(s), are required to sign an agreement regarding confidentiality and covenants not to compete in form and substance acceptable to us.

H. Insurance. You will at all times maintain, at your sole expense, comprehensive public and product liability insurance and motor vehicle liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with the operation of the Franchised Tea Shop. You will obtain and maintain the minimum insurance as set forth in the Manual.

We may, from time to time, in our sole discretion, make such changes in minimum types of insurance and policy limits, coverage, and endorsements as we may determine. You agree to comply with any of these changes, at your sole cost and expense. All general liability insurance policies will name us and our successors and assigns as additional insured and will provide that we must receive at least thirty (30) days prior written notice of any termination, expiration or cancellation of the insurance policy. Each year, you must provide us with a certificate or other evidence of your compliance with our insurance requirements. If you fail to maintain such insurance, we may procure such insurance on your behalf and will be entitled to reimbursement from you of our costs to do so, in addition to any other rights and remedies we may have under this Agreement. However, we are not obligated to obtain such insurance on behalf of you. Regardless of the amounts required hereby, it will be your responsibility to maintain adequate insurance coverage at all times during the Term of and after the expiration of this Agreement. You recognize that the levels of insurance required hereby are merely minimum requirements. You should determine if additional insurance is necessary through consultation with your advisors. Your failure to maintain coverage will not relieve you of any contractual responsibility or obligation or liability under this Agreement.

I. Inspections. You must permit our representatives or agents, the representatives or agents of our Affiliates or a third party inspector retained and authorized by us to enter the premises of the Franchised Tea Shop with or without notice during regular business hours to inspect the Franchised Tea Shop and audit your business operations, including all books and records. You also grant us permission to examine all records of any supplier from whom you have made purchases. You will keep on file and make available for our review the following documents and reports: weekly inventory sheets, deposit slips, bank statements and canceled checks, sales and purchase records, business tax returns and such other accounting records for such periods of time as is necessary to provide appropriate documentation in the event of an audit of your business by any governmental taxing authority having Jurisdiction over you. Our right to approve certain matters, to inspect the Franchised Tea Shop and its operation and to enforce our rights, exists only to the extent necessary to protect our interest in the System and Marks for the benefit of us, our Affiliates and all ALittle Tea Shops and to ensure compliance with this Agreement. Neither the retention nor the exercise of these rights is for the purpose of establishing any control, or the duty to take control, over those matters which are clearly reserved to you, nor will they be construed to do so. The obligations of this provision survive termination or expiration of this Agreement.

If, upon inspection, the Franchised Tea Shop is determined not in compliance with the Manual or this Agreement, including but not limited to the Standards of Operation set forth in Section IX.D, you must pay us a non-compliance fee in the amount of Two Hundred Fifty Dollars ($250.00) within thirty (30) days of the failed inspection. We reserve the right to return for reinspection of the Franchised Tea Shop within sixty (60) days of the failed inspection. If the Franchised Tea Shop is determined not in compliance during subsequent re-inspection(s), you must pay us a non-compliance fee in the amount of Five Hundred Dollars ($500.00) within thirty (30) days of each failed re-inspection. Further, you must pay us for all reasonable costs in connection with the re-inspection(s), including but not limited to such inspector's travel, lodging and personal expenses during any re-inspection. We have the right to collect these amounts in addition to exercising any and all other rights we may have for non-compliance under this Agreement. You agree that a precise calculation of the full extent of the damages that we will incur from your non-compliance and our inspection(s)/re-inspection(s) are difficult to determine and all parties desire certainty in this matter. Accordingly, you agree that the damages provided here are reasonable and constitute liquidated damages and not a penalty.

J. Cooperation for Financial Performance Representations. You must maintain your books and records in accordance with the United States generally acceptable accounting principles, consistently applied. If we at any time desire to utilize a financial performance representation or similar document in connection with the sale of franchises, you agree to provide us, at no cost, with such reasonable information as we may request in order to properly prepare such representation, and you hereby permit us to utilize such information as we deem necessary.

K. Innovations. All ideas, concepts, techniques, innovations, developments, improvements, suggestions or materials concerning an ALittle Tea Sop, whether or not it is considered protectable intellectual property and whether created by or for you or your owners, affiliates, employees or representatives, must be promptly disclosed to us and, as between you and us, will be deemed to be our sole and exclusive property, part of the System and works made-for-hire for us. To the extent any such item does not qualify as a "work made-for-hire" for us, you must assign, or must require your owners, affiliates, employees or representatives to assign, your or their ownership interest of such item to us. You agree to take, or direct your owners, affiliates, employees or representatives to take, whatever action required by us to document such assignment or to assist us in obtaining any and all intellectual property rights in such item. In the event that this provision is found to be invalid or unenforceable, you and your owners grant to us a worldwide, perpetual, non-exclusive and fully-paid license to use and sublicense the use of such ideas, concepts, techniques, innovations, developments, improvements, suggestions or materials.

L. Remodeling. We may require you to make capital expenditures to remodel the Franchised Tea Shop to reflect our then current standards for ALittle Tea Shops. Compliance with these standards may be an ongoing obligation of yours and may be a condition of our consenting to a renewal of the Term, or our consenting to a Transfer.

M. Financial Reports. You will maintain and preserve for at least five (5) years from the dates of their preparation, full, complete and accurate books, records and accounts in consistently applied accounting principles and in the form and manner prescribed by us from time to time. You will send us annual income and expense statements within sixty (60) days of the end of your fiscal year. You will also send us any other information or reports we may reasonably request, including but not limited to copies of balance sheets, copies of sales tax returns, and other financial reports and information. However, you will not be obligated to disclose confidential tax returns if such disclosure would violate applicable law. All reporting data will be prepared in accordance with the United States generally accepted accounting principles, consistently applied.

N. Assignment of Likeness and Images by You. You hereby grant us an irrevocable, world-wide, royalty-free license to use your likeness or images of the Franchised Tea Shop, in any manner we deem appropriate in our sole discretion, including our, our Affiliates' use on any Internet domain or website or through any other Internet representation we deem appropriate for the System. This provision will survive the termination or expiration of this Agreement.

O. Maintenance of the Franchised Tea Shop. You must keep the exterior and interior of your Franchised Tea Shop and all fixtures, equipment, furnishing, computer equipment and software (including point-of-sale system), and signs in the highest degree of cleanliness, orderliness, sanitation and repair and in accordance with the Manual. You may not make any material alternations, additions, replacements or improvements to your Franchised Tea Shop without our prior written consent. You shall equip the Franchised Tea Shop with furniture, fixtures, signs, and equipment, including computer equipment and point-of-sale system, and use such items as required in the Manual, which we may change or modify from time to time. You acknowledge and understand that in the future, and from time to time, you may be required to upgrade or purchase or lease new or different furniture, fixtures, equipment, computer hardware and software (including point-of-sale system), and signs.

X PROPRIETARY MARKS

A. Right to Use Marks. You acknowledge that the Marks are valid service and/or trademarks, which are licensed to us. You recognize that valuable goodwill is attached to the Marks, and that you will use the Marks only in the manner and to the extent specifically licensed by this Agreement. Any goodwill arising out of your use of the Marks inures to the benefit of us and/or our Affiliates. You further acknowledge that the right to use the Marks and the grant contained in this Agreement is non-exclusive, and that we and/or our Affiliates, in our and/or their sole discretion, have the right to operate businesses under the Marks on any terms and conditions we or they deem fit, provided that we agree to abide by the provisions with respect to protection of the Assigned Territory as set forth in Section II.A of this Agreement. Any unauthorized use of the Marks by you is a breach of this Agreement and an infringement of our rights and the rights of our Affiliates. All provisions of this Agreement applicable to the Marks apply to any additional service marks, trademarks, trade dress, trade names, logos, commercial symbols and copyrights hereafter authorized for use by, and licensed to, you.

B. Contest of Marks. You will not directly or indirectly contest or aid in contesting the validity or ownership of the Marks, trade secrets, methods, procedures and advertising techniques which are part of the System, or contest our or our Affiliates' rights to register, use or license others to use the Marks or the System. You will not at any time (whether during or after the Term of this Agreement) directly or indirectly infringe on our rights to or in the Marks. You agree to promptly notify us of any claim, demand or suit based upon or arising from any attempt by anyone else to use the Marks, or any colorable variation thereof. As between you and us and our Affiliates, we and our Affiliates will have the sole discretion to determine if we will defend the use of the Marks, and we are not obligated to defend the Marks. We or our Affiliates have the right to control any administrative proceeding or litigation involving the Marks. You will execute any and all instruments and documents, render assistance and do such acts as may, in the opinion of our counsel, be necessary or advisable to protect our interests or the interests of our Affiliates in any such litigation or proceedings, or to otherwise protect and maintain our interest or the interest of our Affiliates in the Marks.

C. Prohibition on Use of Name. Your will not use any of the Marks or the names "ALittle" as part of your corporate name with any prefix, suffix, or other modifying words, terms, designs or symbols. You will, however, identify yourself as our franchisee, solely with the logos and marks licensed by us to you hereunder. You will not incur any obligations or indebtedness except in your name. Further, you will not use our name or Marks (or any marks or names confusingly similar to our name or Marks) as an Internet domain name or in the content of any website.

D. Change of Marks. We will have the right to change the Marks to be used by you at any time and for any reason we deem appropriate. You will pay the costs associated with any change in the Marks we make, and you will make these changes promptly.

E. Use of Marks on the Internet. You will not maintain a website, mobile application or social media (e.g., Instagram, Facebook, X or Tik Tok) account or user name, or any other presence, or otherwise advertise on the Internet, or any other public computer network, in connection with your Franchised Tea Shop, without our prior written consent or in the manner we approve. Any such permission shall only be for such time as we permit and shall be on the terms and conditions we specify from time to time in the Manual or in any other written instructions we give to you, which may restrict the content that you are permitted to post to such social media outlet. We have the right to cease granting you permission to operate any such social media outlet at any time.

You agree not to register any Internet address name under any Internet domain, class or category that contains the Marks or any abbreviation, acronym or variation of the Marks. We and our Affiliates retain the sole right to advertise on the Internet and create a website or websites using any of the Marks or any variation of the Marks. We retain the right to pre-approve your use of linking and framing between your web pages and all other websites. You will, within five (5) days after our request, dismantle any frames and links between your web pages and any other websites.

XI CONFIDENTIAL INFORMATION

As between you and us, you acknowledge that the trade secrets, information, ideas, research, methods, manuals, sales and marketing procedures, systems, improvements and other materials in connection with the System, including the Manual, owned or developed by or licensed to us, whether or not published, confidential or suitable for registration or copyright, and the goodwill associated with them, are and shall remain the sole and exclusive property of us. This information is provided or revealed to you in trust and confidence. You will not, during the Term of this Agreement, or after a Transfer, or the termination or expiration of this Agreement, communicate or divulge to anyone, any such information or knowledge, including but not limited to ingredients, recipes, methods of preparation of food and beverage products, specifications, standards, methods, procedures, sales and marketing materials, knowledge of the System and experience in operating an ALittle Tea Shop, and other information or material which we may designate as confidential ("**Confidential Information**"), nor will you disclose, use or divulge, in whole or in part, any Confidential Information, unless the information is generally known and in the public domain, and except to the extent necessary to operate the Franchised Tea Shop. You will ensure that each of your employees exercises the highest degree of diligence and makes every effort to maintain the absolute confidentiality of all trade secrets and proprietary rights during and after the Term of this Agreement.

XII NON-COMPETITION

A. Competing Business During the Term of this Agreement. You acknowledge the uniqueness of the System and that we are making our knowledge, know-how, and expertise available to you for the purpose of operating the Franchised Tea Shop strictly and solely within the Assigned Territory. You agree that it would be an unfair method of competition to use or duplicate or to allow others to use or duplicate, any of the knowledge, know-how or expertise you receive from us or our Affiliates for any reason other than for the operation of the Franchised Tea Shop under this Agreement. You further recognize the importance of devoting substantial time and energy to the Franchised Tea Shop. Therefore, you warrant that during the Term of this Agreement, unless you have our prior written consent, neither you nor any of your owners will directly or indirectly perform any services for, engage in or acquire, be an employee of, have any financial, beneficial or equity interest in, or have any interest based on profits or revenues of any Competitive Business except as a duly licensed franchisee of us (except for a five percent (5%) or less beneficial interest in a reporting company registered under the Securities Act of 1933, as amended).

B. Non-Competition After Term. Subject to applicable laws, for two (2) years after a Transfer, or the termination or expiration of this Agreement for any reason, or the entry of final order of a court of competent jurisdiction enforcing this covenant, whichever is later, neither you nor any of your owners will directly or indirectly perform any services for, engage in or acquire, be an employee of, have any financial interest in, loan money to, or have any interest based on profits or revenues of any Competitive Business (except for other outlets franchised from us to you or your owners, and except for a five percent (5%) or less beneficial interest in a reporting company registered under the Securities Act of 1933, as amended). The geographical scope of this restriction will cover the area within a 3-mile radius of the Franchised Tea Shop and the area within a 3-mile radius of any ALittle Tea Shop that is established, being constructed or subject to an executed Franchise Agreement at the time this restriction begins to be enforced.

In addition, during the Term of this Agreement and for two (2) years after a Transfer, or the termination or expiration of this Agreement for any reason, or the entry of final order of a court of competent jurisdiction enforcing this covenant, whichever is later but subject to applicable laws, you will not employ or seek to employ any person who is at the time employed by us, our Affiliates, franchisees of us or our Affiliates or at any ALittle Tea Shop, or otherwise directly or indirectly induce or seek to induce one of these persons to leave his or her employment.

C. Reasonableness of Restrictions. You and any guarantor of this Agreement acknowledge and confirm that the length of the term and geographical restrictions contained in Sections XI and XII are fair and reasonable and not the result of overreaching, duress or coercion of any kind. You acknowledge and confirm that your and their full, uninhibited and faithful observance of each of the covenants contained in Sections XI and XII will not cause any undue hardship, financial or otherwise, and that enforcement of each of the covenants contained in this Sections XI and XII will not impair your or their ability to obtain employment commensurate with their respective abilities and on terms fully acceptable to you or them or otherwise to obtain income required for your or their comfortable support and, if such person is an individual, his or her family, and the satisfaction of the needs of his or her creditors.

D. Enforcement. You acknowledge that to disregard the provisions of Sections XI and XII would effectively foreclose us from selling other franchises and you could be unjustly enriched and unfairly derive benefit from the Confidential Information, Marks and System. Moreover, our other franchisees and their ALittle Tea Shops could be severely disadvantaged if you compete against them using the Marks, System or other Confidential Information. We intend to restrict your activities under Sections XI and XII of this Agreement only to the extent necessary for the protection of our, our Affiliates', our licensors' and our franchisees' legitimate business interests. Each of the foregoing covenants will be construed as severable and independent and will be interpreted and applied consistent with the requirements of reasonableness and equity. In the event a court of competent jurisdiction determines the business, time, or geographic limitations contained in this Agreement is illegal, invalid or unenforceable, then, the court so holding shall reduce the limitation necessary to render such restriction enforceable by the court. We will have the right to reduce the scope of any covenant contained in Sections Xl and XII, without your consent, effective immediately upon receipt by you of our written notice, and you will comply with any reduced covenant. In addition to any other remedies available at law or equity and notwithstanding anything to the contrary in this Agreement, we will have the right to injunctive relief for your violation or threatened violation of any covenant described in Sections XI and XII. The terms of this non-compete are assignable by us and will inure to our benefit, as well as our successors and assigns. In the event of any assignment, sale, merger or change in our ownership or structure, the resulting entity will step into our place, without any additional consent of or notice to you, as if the terms "us", "our" or "we" were defined in this Agreement to include such entity.

XIII DEFAULT AND TERMINATION

A. Termination by Us.

1. With 30 Days' Opportunity to Cure. We may, at our option, and without prejudice to any other rights or remedies provided for in this Agreement, or at law or in equity, terminate this Agreement for "good cause." Without limitation as to other situations, "good cause" for termination exists if you or any guarantor of this Agreement:

(1) fail to strictly comply with all of the terms, conditions and obligations of this Agreement or any of the mandatory obligations under the Manual; or

(2) lose possession of the premises at which the Franchised Tea Shop is located and fail to secure a suitable site for relocation which we consent to within three (3) months of so losing possession; or

(3) default under the terms of the lease for the premises at which the Franchised Tea Shop is located; or

(4) misrepresent Gross Sales in any report submitted to us or fail to provide any such report as required; or

(5) fail to obtain, lose or fail to comply any permit or license which is required for the operation of the Franchised Tea Shop; or

(6) misuse the Marks or Confidential Information, or engage in conduct which, in our opinion, reflects unfavorably upon the operation, maintenance, goodwill and/or reputation of the System; or

(7) commit any other act which constitutes good cause under applicable state law or court decision, or

(8) fail to keep the Franchised Tea Shop open for a period of 5 consecutive days without justifiable cause, or

(9) fail to pay any lawful debt or tax when due, or

(10) surrender or transfer control of the Franchised Tea Shop (including entering into a management arrangement with any person who does not meet our standards, such as satisfactorily completing our Initial Training Program); or

(11) make an unauthorized direct or indirect Transfer.

Subject to applicable laws and except as otherwise provided In this Agreement, we will give you at least thirty (30) days' prior written notice of default (except that, if state law requires a longer period, you will be granted the longer period, and except that, if state law permits, we will have the right to terminate earlier if the "good cause" constitutes a default that is not curable). The notice will state the reason(s) for default and will provide that you have thirty (30) days from the date of the notice to cure the default. If each and every default is not fully cured within this period, we have the right to terminate this Agreement immediately.

2. 10 Days' Opportunity to Cure. We may also terminate this Agreement for non-payment of sums due to us or our Affiliates or suppliers, your failure to open the Franchised Tea Shop for business within twelve (12) months after our acceptance and execution of this Agreement, or your failure to immediately correct and cure a threat or danger to the public health or safety resulting from the construction, operation or maintenance of the Franchised Tea Shop. Subject to applicable law and, except as otherwise provided in this Agreement, if termination is based on the foregoing, we will give you at least ten (10) days' prior written notice of the default (except that, if state law requires a longer period, you will be granted the longer period, and except that if state law permits, we will have the right to terminate earlier if the claimed deficiency constitutes a default that is not curable). The notice will state the reason(s) for default and will provide that you have ten (10) days from the date of the notice to cure the default. If each and every default is not fully cured within this period, we have the right to terminate this Agreement immediately.

3. Without Opportunity to Cure. Notwithstanding anything contained herein to the contrary, if state law permits, we will be permitted to terminate this Agreement immediately and without notice when the basis or grounds for termination is (a) conviction of, or pleading guilty or no contest to, a felony or engaging in any other criminal misconduct that materially and adversely affects the operation, maintenance, reputation or goodwill of the Franchised Tea Shop or the System, (b) fraudulent activity that materially and adversely affects the operation, maintenance, reputation, or goodwill of the Franchised Tea Shop or the System, (c) abandonment of the Franchised Tea Shop, (d) your bankruptcy or insolvency or that of your guarantors, (e) the giving of more than 2 no account or insufficient funds checks to us or our Affiliates within a 12 month period, or our or our Affiliates receipt of any similar notice when utilizing any EFT payment, (f) your making or having made any material misrepresentation or omission in the application for this franchise, (g) failure or refusal to comply with any provision of this Agreement two (2) or more times in any 12-month period, whether or not the repeated failures or refusals are cured after notice thereof, or (h) any other act or omission that permits termination without notice and/or an opportunity to cure under applicable state law.

B. Termination by You. You must notify us in writing of any failure of us to perform any of our obligations pursuant to this Agreement. You may terminate this Agreement only if we materially default in our performance of any terms and conditions in this Agreement, you give us written notice within thirty (30) days of this material default, and we fail to cure this material default within sixty (60) days of our receipt of your written notice of default; provided that in the event the nature of the default reasonably requires more than sixty (60) days to cure, then you may not terminate this Agreement if we commence the cure within such 60-day period and diligently completes the cure thereafter.

C. Consequences of Termination. Upon a Transfer, or the termination or expiration of this Agreement for any reason whatsoever, all of your rights hereunder will terminate, and you will do each of the following:

1. You will cease to be a franchisee of us and cease to operate the Franchised Tea Shop under the System and Marks. You will not thereafter directly or indirectly represent to the public that the business at the Site is in any way connected with the System, or hold yourself out as a present or former franchisee of us at or with respect to the Site.

2. You will immediately discontinue use of all Marks, signs, colors, structures, printed goods and forms of advertising indicative of our business, any ALittle Tea Shop or the System, and return any Confidential Information or other copyrighted materials, including the Manual, to us.

3. If we request, you will assign your telephone numbers, any telephone references, and any advertising to us or any of our designees, including any other ALittle Tea Shop.

4. You will pay all amounts due to us, our Affiliates and suppliers.

5. You will cancel any assumed name registration or equivalent registration which contains the Marks, and you will furnish us with evidence satisfactory to us of your compliance with this obligation within five (5) days of a Transfer, or the termination or expiration of this Agreement.

6. You will make such modifications or alterations to the Site immediately upon the termination or expiration of this Agreement, as we may deem necessary, to distinguish the appearance of the Site from that of other ALittle Tea Shops. In the event you fail or refuse to comply with the requirements of this subsection, we or our designees will have the right to enter upon the premises without being guilty of trespass or any other tort for the purposes of making or causing to be made the changes that may be required by this subsection at your expense. You agree to pay us this expense upon demand.

7. You will comply with all post-term covenant obligations, including but not limited to the trade secrets, Confidential information, non-competition and indemnification covenants set forth in this Agreement.

Neither a Transfer, nor the termination or expiration of this Agreement will relieve you of any of your obligations to us or our Affiliates existing at the time of such Transfer, termination or expiration, or terminate your obligations that, by their nature, survive a Transfer, or the termination or expiration of this Agreement. Furthermore, a Transfer, or the termination or expiration of this Agreement will be without prejudice to our rights against you, and in the event of a termination which is the result of your material breach or default under this Agreement, we will, in addition to our rights set forth above, also be entitled to all rights and remedies available at law or in equity.

D. Our Right to Purchase Personal Property. After the termination or expiration of this Agreement, but not upon an approved Transfer pursuant to Section XVI.B, we will have the right, but not the obligation, to purchase any or all of your equipment, inventory, supplies and other personal property used in connection with the operation of the Franchised Tea Shop. The purchase price for such property will be the book value less any liens. We will have thirty (30) days after the determination of such value, to exercise our rights granted by this Section XIII.D, and we will have an additional thirty (30) days to pay for the property we desire to purchase. If we fail to exercise our rights within the time periods set forth above, you will be free to otherwise sell or dispose of the personal property used in connection with the operation of the Franchised Tea Shop.

E. Our Operation of the Franchised Tea Shop. In order to prevent any interruption of the franchise business which would cause harm to the business of the Franchised Tea Shop or System, if you are unable to operate the business for any reason whatsoever, if you abandon or fail to actively operate the Franchised Tea Shop for any period or if you fail to cure a breach within the applicable cure period (if any), you authorize us and our agents and Affiliates to operate the Franchised Tea Shop if we desire to do so, in our sole discretion, for so long as we deem necessary and practical. All income from the operation of the business shall be kept in a separate account, and the expenses of the business, including our reasonable compensation and reimbursement of expenses, and, those of our agents and Affiliates, shall be charged to this account. We may charge you a reasonable management fee that we specify plus any out-of-pocket expenses incurred in connection with the management of the Franchised Tea Shop. We and our designees will have a duty only to use reasonable efforts upon assuming the Franchised Tea Shop's management and will not be liable for any debts, losses or obligations that the Franchised Tea Shop incurs, or to any creditors for any supplies or other products or services purchased for the Franchised Tea Shop in connection with such management. Nothing contained herein shall be construed to require us to operate the business in the case of your inability to operate same, and the rights set forth herein may be exercised in our sole and absolute discretion.

XIV SOURCES OF PRODUCTS

You must purchase products, services, supplies, equipment and materials for the operation of your Franchised Tea Shop that meet our standards and specifications, and you must purchase such items only from manufacturers, suppliers or distributors designated by us, or from other suppliers we approve who meet our standards and specifications. Approval of a supplier may be conditioned on requirements relating to frequency of delivery, standards of services, including prompt attention to complaints. We may, from time-to-time, withhold, condition and/or revoke our approval of particular items or suppliers in our reasonable discretion. We or our Affiliates may receive rebates, commissions, and other benefits from suppliers in relation to items purchased by you and other franchisees. We have the right to condition or revoke your right to participate in any supplier programs if you are in default under this Agreement.

We or our Affiliates may be an approved supplier, or the sole supplier approved for certain products. Currently, we and our Affiliates are the sole approved suppliers for our tea leaves, boba, syrup & mixes, food packaging, certain counter-top equipment, certain kitchenware and uniforms. Some of these items are proprietary and are an integral part of the System constituting valuable trade secrets of us and our Affiliates.

You may propose alternative products, services, supplies, equipment and materials for the operation of your Franchised Tea Shop, as well as alternative manufacturers, suppliers or distributors, for our approval. We may require that samples of or from these proposed alternatives be delivered to us for testing and you must pay us for the reasonable costs in connection with the sample testing. Further, all proposed manufacturers, suppliers or distributors must agree to permit our agents or representatives to inspect their facilities regularly, both initially and from time to time as may reasonably be required by us to assure us of the proper production, processing, packaging, storing and transportation of the products, services, supplies or equipment and materials to be purchased by you. We will advise you within one hundred and eighty (180) days of our approval or disapproval of any proposed alternate sources of products, services, supplies, suppliers, materials and/or equipment. The foregoing will not be construed as an attempt to unreasonably limit the sources from which you may procure products, services, supplies and materials. Rather, it is our intention that such items conform to our strict standards and strict specifications as to consistent quality, uniformity and reliability. Further, we will not be required to approve an inordinate number of alternative suppliers of a given item which in our reasonable judgment would prevent our effective supervision of suppliers. We may require your supplier to sign a confidentiality agreement.

XV CONFIDENTIAL OPERATIONS MANUAL AND CHANGES

We will loan you for the duration of the Term one (1) copy of the Confidential Standard Operating Procedures Manual (the "**Manual**"), which may cover such items as recipes, food preparation techniques, approved suppliers, general business methods, merchandising, financial reporting requirements, confidentiality agreements, plans and specification requirements, and other proprietary aspects of the System. The Manual will be in a format determined by us (i.e., in writing, via electronic media through a secure website, etc.) and all other supplemental bulletins, notices, revisions, modifications or supplemental information, either in document or electronic form, concerning the System are considered part of the Manual. Also included are any passwords or other digital identification necessary to access the Manual on a website or extranet. You agree to comply with the mandatory requirements in the Manual and acknowledge your compliance is an essential part of your obligations under this Agreement. You will at all times be responsible for ensuring that your employees and all other persons under your control comply with the mandatory provisions of the Manual in all respects. The Manual constitutes a confidential trade secret of ours and will remain our property. The Manual cannot be photocopied, reproduced, or disseminated without our written consent. We may modify the Manual from time to time in our discretion, and you agree that from time to time we may reasonably change the System. You expressly agree to comply with each modification, addition or deletion of the System or Manual at your sole cost and expense. You acknowledge that due to the changing nature of the food and beverage business, as well as changing attitudes of customers and other factors, changes to the System or the Manual may be necessary and may involve your expenditure of additional sums of money.

We agree to impose any of these changes in a reasonable, non-discriminatory manner among other franchisees. However, because complete and detailed uniformity under many varying conditions may not be possible or practical, we specifically reserve the right and privilege, in our sole discretion and as we may deem to be in the best interests of the System in any specific instance, to vary standards for any particular franchisee based upon the peculiarities of a particular territory, density of population, business potential, business practice or other condition important to the successful operation of a particular ALittle Tea Shop. We may grant variations from standard specifications and practices as we determine in our discretion, and we will have no obligation to grant you or any other franchisee like or similar variations, our failure to require a change from any particular franchisee will not affect your obligations under this Agreement.

You will at all times ensure that your copy of the Manual is kept current and up-to-date. In the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by us will be controlling.

XVI TRANSFERABILITY OF INTEREST

A. By Us. We are free to assign all of our rights and obligations under this Agreement, and upon such assignment we will be relieved of all liability under this Agreement, and all rights and obligations will accrue to our successor or assignee.

B. By You. The rights and duties created by this Agreement are personal to you. We have granted this franchise in reliance upon our perception of the individual and collective character, skill, attitude, and business and marketing abilities of you and your owners. Therefore, there can be no Transfer without our prior written consent. Any consent by us will not operate as a consent to any future Transfer, and no future such Transfer will be valid without our prior written consent to that specific Transfer. Any attempted Transfer in violation of this subsection is voidable at our option. If we elect not to exercise our right of first refusal pursuant to Section XVI.D below, we will not unreasonably withhold our consent to a Transfer, provided that each of the following conditions are satisfied:

1. **Governmental Compliance.** The Transfer is conducted in compliance with all applicable laws and regulations;

2. **Prior Compliance.** You have performed your obligations and duties under this Agreement, and you are not in default under this Agreement, or any other agreement with us or our Affiliates.

3. **Payments.** You have paid all amounts owed to us and our Affiliates, and all other outstanding obligations relating to the Franchised Tea Shop are fully paid and satisfied.

4. **Release.** To the extent permitted by law, you, including all officers, directors and owners (as well as all guarantors under this Agreement) must execute a general release, in the form we approve, of any and all claims against us, our Affiliates, and our and their respective officers, directors, employees and agents.

5. **Requirements of Transferee.** The transferee meets our established standards for new franchisees, is of good moral character, has a good credit rating, sufficient financial resources to operate the business and competent qualifications. The transferee must execute the most current franchise agreement for the state in which the Franchised Tea Shop is located, which may include different terms and conditions. In addition, the transferee's owners (actual and beneficial) and their spouses must sign the Guaranty and Assumption of Obligations attached to that franchise agreement.

6. **Transfer Fee.** We are paid a transfer fee equal to One Thousand Five Hundred Dollars ($1,500.00) in lieu of the initial franchise fee required in the then-current form of franchise agreement for the state in which the Franchised Tea Shop is located.

7. **Assumption of Liabilities.** The transferee agrees to assume all liabilities and obligations from you and your operation of the Franchised Tea Shop, including the lease, and must comply with other reasonable requirements we may impose.

8. **Completion of Training.** The transferee and/or transferee's management team, including a Principal Owner and designated manager(s), must complete the Initial Training Program to our satisfaction.

9. **Update and Remodel Franchised Tea Shop.** The transferee updates and remodels the Franchised Tea Shop to comply with our then-current standards for new ALittle Tea Shops.

10. **Continuing Liability.** If we approve an assignment of this Agreement, we will have the discretion to require you and your guarantors to remain liable for the full and faithful performance of the obligations of the assignee.

11. **Economically Reasonable Terms.** Although we will not be required to determine the value of your business upon a Transfer, if in our reasonable judgment, the purchase price or other terms of sale are not economically feasible to the proposed transferee, we can withhold our consent to such Transfer. Our consent is not, however, to be construed as an implication or warranty that the terms of the sale are in fact economically feasible. We may, in good faith, notify you and

the proposed transferee, stating the reasons that we have elected to withhold our approval of the proposed Transfer.

C. Your Death or Incapacity. You, by will or other written instrument, may appoint a designated heir to continue operation of the Franchised Tea Shop upon your death. The designated heir must meet the qualifications of Section XVI.B, including the requirement to meet our standards for new franchisees, execute the then-current form of franchise agreement used in the state in which the Franchised Tea Shop is located, and the designated manager(s) or new Principal Owner has, or within sixty (60) days will have, satisfactorily completed the Initial Training Program, provided that no transfer fee will be charged on a Transfer pursuant to this subsection. The Transfer to a designated heir, personal representative or conservator, as applicable, in the event of your death or legal incapacity, will not give rise to our right of first refusal as described in Section XVI.D below.

D. Right of First Refusal. Notwithstanding the foregoing subsections (other than Section XVI.C), if you receive a bona fide, executed, written offer to acquire an interest in this Agreement, you or the Franchised Tea Shop from a responsible, fully disclosed third party purchaser, you must submit a copy of the offer to us. You must also provide us with any other information we request to evaluate the offer. We have the right, exercisable by delivering written notice to you within thirty (30) days from the date of last delivery by you of the offer and any other documents we request, to acquire such interest for the price and on the terms and conditions contained in the offer, except that regardless of the terms of the offer, we may substitute cash for any form of payment proposed in the offer, require you to include customary warranties and representations in the purchase agreement, and structure the transaction as an "asset purchase" rather than a "stock purchase." We will not be obligated to pay any "finder's" or broker's fees that are a part of the proposed sale, and we will not be obligated to comply with any part of the offer which directly or indirectly requires payment of any consideration other than a bona fide purchase price for the interest proposed to be transferred (for example, we will not be obligated to pay any earn out or other share of the profits from our operation of the Franchised Tea Shop after the Transfer is completed). If we decline to exercise our right of first refusal, you will have ninety (90) days after the earlier of our decline to exercise the right or the expiration of the right, to consummate such Transfer to the bona fide third-party purchaser upon the terms and conditions described in the offer notice submitted to us, subject to compliance with Section XVI.B. In the event you fail to complete the sale on these terms within this 90-day period, you must again comply with this subsection and give us the first right to acquire such interest prior to any sale. Our election to not exercise our right of first refusal as to any particular offer will not affect our right of first refusal as to any subsequent offer.

XVII INDEPENDENT CONTRACTOR/INDEMNIFICATION

A. Independent Contractor. We and you are independent contractors, and no partnership, fiduciary, joint venture, or employment relationship exists between you and us. You will conspicuously identify yourself at the premises of the Franchised Tea Shop and in all dealings with the public as an independently owned business. Neither we nor you will make any agreements or representations in the name of or on behalf of the other that this relationship is other than franchisor and franchisee.

B. Indemnification. Under no circumstances will we be liable for any act, omission, debt, or other obligation of you. You will indemnify, defend and save harmless us and our employees, agents, officers, directors, parents, subsidiaries, affiliates, successors and assigns (each an "Indemnitee") from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses (including legal fees and expenses) of any kind and nature whatsoever, including damages or injuries suffered by any Indemnitee, which may be imposed on, incurred by, or asserted against any Indemnitee in any way arising out of the acts or omissions of you or your employees, agents, officers, directors, parents, subsidiaries, affiliates, successors and assigns pursuant to or in connection with the operation of the

Franchised Tea Shop regardless of whether the Indemnitees were negligent or that this negligence was a contributing factor in any Indemnitee's liability (to the extent permitted by applicable law).

XVIII MEDIATION AND BINDING ARBITRATION

Before any party may bring an action in court for all controversies, disputes or claims between us and you arising from this Agreement or the franchise relationship set forth in this Agreement, the parties must first have a conference with each other to try to resolve the dispute. If this fails to bring about a resolution, the dispute will first be submitted to non-binding mediation (the "**Mediation**") in Los Angeles, California, or the closest city which has an office of the American Arbitration Association ("**AAA**"), unless the parties mutually agree to another location. The Mediation shall be conducted under the then-current AAA mediation rules (the "**AAA Mediation Rules**") except to the extent the AAA Mediation Rules differ from the terms of this Agreement, in which event the terms of this Agreement shall be applied. You and we will select the mediator from the AAA panel of mediators (unless the parties mutually agree to the selection of another mediator). If the parties cannot agree on the selection of a mediator, AAA shall make the selection. The cost of the Mediation, including the mediator's fee and expenses, shall be split equally between you and us. All negotiations and mediation proceedings (including all statements and settlement offers made by either party or the mediator in connection with the Mediation) shall be strictly confidential, shall be considered as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and state rules of evidence, and shall not be admissible or otherwise used in connection with any court or arbitration proceeding for any purpose. The mediator may not be called as a witness in any court or arbitration proceeding for any purpose. Notwithstanding the foregoing, the obligation of this Section XVIII to mediate will not be binding with respect to claims relating to our trademarks, service marks, patents, or copyrights, including the Marks, claims relating to any lease or sublease of any real property between the parties or their affiliated entities, or requests by either party for temporary restraining orders, preliminary injunctions, permanent injunctions or other proceedings in a court of competent jurisdiction to obtain interim or permanent relief when deemed necessary by such court to preserve the status quo or prevent irreparable injury pending resolution of the actual dispute between the parties.

If the parties, after a good faith effort to settle the dispute using Mediation, are unable to reach settlement, you and we agree that the dispute will be resolved by final and binding arbitration (the "**Arbitration**") in Los Angeles, California, or the closest city which has an AAA office, unless the parties mutually agree to another location. The Arbitration shall be conducted before a single neutral arbitrator under the then-current AAA arbitration rules (the "**AAA Arbitration Rules**") except to the extent the AAA Arbitration Rules differ from the terms of this Agreement, in which event the terms of this Agreement shall be applied. You and we will select the arbitrator from the AAA panel of arbitrators, provide however the same individual will not serve as both mediator and arbitrator. If the parties cannot agree on the selection of an arbitrator, AAA shall make the selection. The decision of the arbitrator shall be final and binding on the parties, and judgment thereon may be entered in a court of competent jurisdiction. The parties acknowledge and agree that they are each waiving their rights to a jury trial in favor of having their disputes resolved by final and binding arbitration. Notwithstanding anything to contrary herein, either party may seek a temporary restraining order, preliminary injunction or other provisional injunctive or declaratory relief in any court of competent jurisdiction at any time to ensure that the relief sought in arbitration is not rendered ineffectual by any interim harm.

XIX MISCELLANEOUS PROVISIONS

A. Waiver. Neither our waiver of a breach or default by you, nor our delay or failure to exercise any right upon your breach or default, nor our acceptance of any payment from you, will be deemed a waive, nor will it impair our rights for other breaches or defaults of the same or a different kind. The description of any breach or default in any notice will not prevent our assertion of other defaults or breaches.

We may waive any one or more of the requirements imposed under this Agreement for the benefit of any particular franchisee or any particular ALittle Tea Shop, but the waiver in favor of any other franchisee or ALittle Tea Shop will not prevent us from enforcing the requirements against you, all other franchisees and all other ALittle Tea Shops.

B. Severability. If any provision of this Agreement is considered to be invalid or inoperative for any reason, that part will be deemed modified to the extent necessary to make it valid and operative, or if it cannot be modified, then severed, and the remainder of this Agreement will continue in effect as if the Agreement had been signed with the invalid portion modified or eliminated.

C. Entire Agreement. You and we each acknowledge and warrant to each other that you and we each wish to have all terms of our business relationship defined in this Agreement. Neither you nor we wish to enter into a business relationship with the other in which any terms or obligations are the subject of alleged oral statements or in which oral statements serve as the basis for creating rights or obligations different than or supplementary to the rights and obligations set forth herein. Accordingly, you and we agree that this Agreement, together with any other documents or agreements executed by the parties contemporaneously hereto, supersede and cancel any prior and/or contemporaneous discussions (whether described as representations, inducements, promises, agreements or any other term) between us or anyone acting on our behalf and you or anyone acting on your behalf, which might be taken to constitute agreements, representations, inducements, promises or understandings (or any equivalent to such terms) with respect to the relationship between the parties. This Agreement, together with any other documents or agreements executed by the parties contemporaneously hereto or incorporated herein by reference, constitutes the entire agreement between the parties and contains all of the terms, conditions, rights and obligations of the parties with respect to any aspect of the relationship between the parties. No further franchise rights or offer of franchise rights have been promised to you, and no such franchise rights or offer of franchise rights shall come into existence, except by means of a separate writing, executed by one of our officers or such other entity granting the franchise rights and specifically identified as a modification of this Agreement. No amendment to this Agreement is binding unless executed in writing by both parties.

D. Notice. All notices required under this Agreement will be in writing and will be given (i) if hand delivered on the day of delivery, (ii) three (3) business days after placement in the United States Mail by registered or certified mail, postage prepaid, or (iii) the day after placement with a courier guaranteeing overnight delivery, in each case addressed to the address listed on the signature page of this Agreement or at such other address as either party will specify in a notice to the other party.

E. Construction of Language. The language of this Agreement will be construed according to its fair meaning and not strictly for or against either party. All words used in this Agreement refer to whatever number or gender the context requires.

F. Governing Law and Jurisdiction. Except to the extent that this Agreement or any particular dispute is governed by the United States Trademark Act of 1946 (Lanham Act, 115 U.S.C. 1051), this Agreement will be governed, to the extent permissible, by the laws of the state in which your Franchised Tea Shop is located without regard to principles of conflicts of law. If a state regulator requires an amendment to this Agreement, the amendment is attached to this Agreement in Exhibit D. We will not, however, be precluded from contesting the validity, enforceability, or applicability or such regulator's required amendment in any action relating to this Agreement or to its rescission or termination.

G. Effect. This Agreement will be binding upon and inure to the benefit of the parties, their legal representatives, heirs, administrators, executors, their permitted successors and assigns.

H. Remedies. In addition to any other remedies in law or in equity to which it may be entitled, we will be entitled, without bond, to entry of injunctive relief and orders of specific performance enforcing the provisions of this Agreement in the event you actually or anticipatorily breach this Agreement. If we incur attorneys' fees, professional fees or other expenses in seeking enforcement of this Agreement or defending any other claim you bring against us, including without limitation, a claim related to the offering of a franchise, you will be required to reimburse us for our reasonable costs and expenses (including attorneys' and expert witness fees). No right or remedy conferred upon us is intended to be exclusive, and every right or remedy granted in this Agreement will be cumulative and in addition to any other rights or remedies available under this Agreement or otherwise. For purposes of this Agreement, a termination will include a termination for any reason, expiration, cancellation, failure to renew, assignment or Transfer.

I. No Warranty. You acknowledge that no approvals, consents, waivers, conditions, or the like warrant your success of operating the Franchised Tea Shop or the appropriateness of the particular items or matters so approved.

J. Receipt of the FDD. You acknowledge receipt of our franchise disclosure document ("**FDD**") along with this Agreement, at least fourteen (14) days before your execution of this Agreement or any payment by you to us. If any unilateral modifications have been made to this Agreement, you acknowledge that you have had at least seven (7) days to review them.

K. Joint and Several Liability. If you are comprised of two (2) or more persons, the obligations and liabilities to us of each of these persons will be joint and several.

L. Time is of the Essence. Time is of the essence of this Agreement.

M. Survival. Your obligations regarding Confidential Information, trade secrets, non-competition, indemnification, your accrued obligations to us (monetary or otherwise) and any other terms or conditions which by their nature will survive a Transfer, or the termination or expiration of this Agreement.

N. Payments from You. We have the sole discretion to apply any payments by you to any of your past due indebtedness for Royalty Fees, Marketing Fees, expenses, purchases from us or our Affiliates, interest or any other indebtedness you may owe us or our Affiliates. Neither we nor any of our Affiliates are required to accept payments after they have become due or to extend credit or otherwise to finance your operation of the Franchised Tea Shop. We and our Affiliates may require you to pay for all purchases on a C.O.D. basis by cashier's check, or may refuse to make further sales to you, if you are in default under this Agreement or if you have failed to pay all amounts due us or our Affiliates when due. In addition to any other remedies available to us, we will have the right to charge you Fifty Dollars ($50.00) for each no account or insufficient funds check issued by you to us or any similar notice received by us on account of any EFT program in which you participate.

O. Limitation on Liens. You will not grant a security interest, pledge, or place a lien upon your interest in this Agreement or in the Franchised Tea Shop or in the furniture, fixtures, or equipment used in the business, except that you will be permitted to grant a security interest in such furniture, fixtures, and equipment to secure your obligation to the seller of, or lender of funds used for the purchase of, such furniture, fixtures and equipment.

P. Day-to-Day Control. You have the sole right and responsibility for the manner and means by which the day-to-day operation of the Franchised Tea Shop is determined and conducted and for achieving your business objectives. Subject to any approval, inspection and enforcement rights reserved to us in this Agreement, this right and responsibility possessed by you includes the employment, supervision, setting the conditions of employment and discharge for your employees, daily maintenance, safety concerns and the achievement of conformity with the System.

Q. Right to Subcontract. We will have the right to subcontract the performance of any of our obligations pursuant to this Agreement to any of our Affiliates or any other third-party designee.

XX YOUR WARRANTIES AND REPRESENTATIONS

A. We have not and do not represent that you can expect to maintain a specific level of sales, profits, or earnings. You and your guarantors have been advised to obtain independent professional and legal advice regarding this franchise. You and your guarantors acknowledge that you have and they are entering into this Agreement, and all ancillary agreements executed contemporaneously with this Agreement, as a result of your own independent investigation of this franchise. You and your guarantors understand that they may sustain losses as a result of the operation or the closing of the Franchised Tea Shop. You and your guarantors understand that the business venture contemplated by this Agreement involves a high degree of financial risk and depends, to a large degree, on your skills, abilities, initiative, and hard work.

B. You and your guarantors represent and warrant that the execution, delivery and performance of this Agreement by you and the Guarantee and Assumption of Obligations by the guarantors do not and will not violate, conflict with or result in the breach of any term, condition or provision of any contract or agreement, or require the consent of any other person or entity.

C. Under applicable U S Law, including without limitation Executive Order 1224, signed on September 23, 2001 (the "**Order**"), you are prohibited from engaging in any transaction with any person engaged in, or with a person aiding any person engaged in acts of terrorism as defined in the Order. Accordingly, you do not and hereafter will not engage in any terrorist activity. In addition, you are not affiliated with and do not support any individual or entity engaged to, contemplating, or supporting terrorist activity. You are not acquiring the rights granted under this Agreement with the intent to generate funds to channel to any individual or entity engaged in, contemplating, or supporting terrorist activity, or to otherwise support or further any terrorist activity.

XXI CAVEAT

THE SUCCESS OF THE FRANCHISED TEA SHOP IS SPECULATIVE AND DEPENDS, TO A LARGE EXTENT, UPON YOUR ABILITY AS AN INDEPENDENT BUSINESS PERSON, AS WELL AS OTHER FACTORS.

YOU UNDERSTAND AND AGREE THAT WE HAVE NO OBLIGATION TO ACCEPT YOUR APPLICATION AND MAY REFUSE TO GRANT YOU A FRANCHISE FOR ANY REASON, OR NO REASON, WITHOUT DISCLOSING THE BASIS FOR OUR DECISION. YOU ACKNOWLEDGE THAT UNLESS AND UNTIL WE SIGN THIS AGREEMENT, THE FRANCHISE HAS NOT BEEN GRANTED, YOU NOT A FRANCHISEE OF OURS AND YOU MAY NOT RELY UPON BECOMING A FRANCHISEE OF OURS.

XXII NON-LIABILITY OF OUR AFFILIATES AND OTHERS

We are the only company obligated to you under this Agreement You may not look to any of our Affiliates or related companies, other business entities or individuals for performance of this Agreement.

XXIII LIMITATION OF LEGAL ACTIONS

A. IN NO EVENT WILL WE BE LIABLE TO YOU FOR PROSPECTIVE PROFITS OR SPECIAL, INDIRECT, PUNITIVE OR CONSEQUENTIAL DAMAGES FOR ANY CONDUCT ARISING OUT OF THIS AGREEMENT OR OUR RELATIONSHIP WITH YOU.

B. THE PARTIES WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THEM RELATING TO OR ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP OF THE PARTIES.

C. ANY DISAGREEMENT BETWEEN YOU AND US (AND OUR AFFILIATES AND OWNERS) WILL BE CONSIDERED UNIQUE AS TO ITS FACTS AND MUST NOT BE BROUGHT AS A CLASS ACTION AND YOU WAIVE ANY RIGHT TO PROCEED AGAINST US (AND OUR AFFILIATES, STOCKHOLDERS, MEMBERS, MANAGERS, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, SUCCESSORS AND ASSIGNS) BY WAY OF CLASS ACTION, OR BY WAY OF A MULTI-PLAINTIFF, CONSOLIDATED OR COLLECTIVE ACTION.

D. YOU WILL BE BARRED FROM BRINGING ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR OUR RELATIONSHIP WITH YOU, UNLESS A BINDING ARBITRATION IS COMMENCED WITHIN ONE (1) YEAR FROM THE DATE ON WHICH YOU KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THAT CLAIM.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first forth above.

FRANCHISOR:

Dian Dian Food Service LLC

By: ________________________________
Name:
Title:

Address: 425 West Valley Boulevard
Suite 140-505
San Gabriel, California 91776

DEVELOPER (if an entity):

____

By: ________________________________
Name:
Title:

Address: ____________________________
____

DEVELOPER (if individual(s)):

____
Name:

Address: ____________________________
____

GUARANTY AND ASSUMPTION OF OBLIGATIONS

In consideration of, and as an inducement to, the execution of the above Franchise Agreement (the "**Agreement**"), by Dian Dian Food Service LLC ("**FRANCHISOR**") in favor of ______________________ ("**FRANCHISEE**"), each of the undersigned ("**GUARANTORS**") hereby personally and unconditionally guarantees to FRANCHISOR, its Affiliates (as hereinafter defined), and their successors and assigns for the term of the Agreement and thereafter as provided in the Agreement, that FRANCHISEE will punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement and agrees to be personally bound by, and personally liable for the breach of each and every provision in the Agreement. The GUARANTORS each agree to be personally and unconditionally bound by each and every undertaking, agreement and covenant set forth in the Agreement, including, the restrictive covenants and non-disclosure provisions contained in the Agreement, as well as the provisions in the Agreement relating to the Marks and Transfers (as defined in the Agreement) to the same extent as and for the same period of time as FRANCHISEE is required to comply with and abide by such covenants and provisions. All of the foregoing obligations of the undersigned will survive any expiration or termination of the term of the Agreement or this Guaranty and Assumption of Obligations. The GUARANTORS further hereby personally and unconditionally guarantee all debts and obligations FRANCHISEE incurs to FRANCHISOR, its successors, assigns, affiliated entities, parent corporation, and subsidiaries ("**Affiliates**"), as the case may be, as a result of any obligations under the Agreement and as a result of purchases of products or services from FRANCHISOR and its Affiliates. Each of the undersigned waives:

(1) acceptance and notice of acceptance by FRANCHISOR or Affiliates of the foregoing undertakings;

(2) notice of demand for payment of any Indebtedness or nonperformance of any obligations hereby guaranteed;

(3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed;

(4) any right he or she may have to require that an action be brought against FRANCHISEE or any other person as a condition of liability;

(5) all rights to payments and claim for reimbursement or subrogation which any of the GUARANTORS may have against the FRANCHISEE arising as a result of the GUARANTORS' execution of and performance under this Guaranty and Assumption of Obligations; and

(6) any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each of the undersigned consents and agrees that:

(1) his or her direct and immediate liability under this guaranty will be joint and several;

(2) he or she will render any payment or performance required under the Agreement upon demand if the FRANCHISEE fails or refuses punctually to do so;

(3) such liability will not be contingent upon or conditioned upon pursuit by FRANCHISOR or Affiliates of any remedies against the FRANCHISEE or any other person; and

(4) such liability will not be diminished, relieved or otherwise affected by any extension of time, credit or the indulgence which FRANCHISOR or Affiliates may from time to time grant to the FRANCHISEE or to any other person, Including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty and Assumption of Obligations, which will be continuing and irrevocable during the term of the Agreement.

If FRANCHISOR or any of the Affiliates are required to enforce this Guaranty and Assumption of Obligations in any judicial proceeding or appeal thereof, the GUARANTORS will reimburse FRANCHISOR and Affiliates for its costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorney assistants', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for or In contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty and Assumption of Obligations.

The undersigned GUARANTORS also recognize that certain disputes relating to the Agreement are to be resolved by mediation, arbitration and litigation, and hereby consent to such process in accordance with the terms of the Agreement. Further, undersigned GUARANTORS also hereby consent to the applicability of the venue and jurisdiction provision in the Agreement to this Guaranty and Assumption of Obligations.

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed their signatures on the same day and year as the Agreement was executed.

GUARANTOR(S):

____
Name:

Address: ________________________
____

____
Name:

Address: ________________________
____

____
Name:

Address: ________________________
____

EXHIBIT A

Your Franchised Tea Shop will be located at: ____.

Your Assigned Territory will be: ____.

<u>EXHIBIT B</u>

LEASE PROVISIONS

Any lease executed by you for the operation of the Franchised Tea Shop will contain the following provisions or an addendum to the lease as follows:

<u>ADDENDUM TO LEASE</u>

This Addendum to Lease (“**Addendum**”) is entered into this ____ day of ________________________, 20__, by and between ________________________________ (“**FRANCHISEE**”) and ________________________________ (“**LANDLORD**”) for the premises located at ____ (the “**Premises**”).

WHEREAS, FRANCHISEE has executed a Franchise Agreement (the “**Franchise Agreement**”) with Dian Dian Food Service LLC (“**Franchisor**”), and as part of said Franchise Agreement, the lease of the Premises (the “**Lease**”) for the franchised “ALittle” tea shop (the “**Franchised Tea Shop**”) must contain certain provisions, and

WHEREAS, LANDLORD and FRANCHISEE agree that the terms contained herein will be applicable to the Lease, notwithstanding anything contained in the Lease to the contrary,

NOW, therefore, in consideration of the mutual promises contained herein and the execution of the Lease, which execution is made simultaneously with this Addendum, LANDLORD and FRANCHISEE hereby agree as follows:

1. LANDLORD agrees that FRANCHISEE will not otherwise assign the Lease or renew, amend or extend the term of the Lease without the prior written consent of the Franchisor.

2. LANDLORD agrees that FRANCHISEE will have the right to remodel, equip, paint and decorate the interior of the Premises and to display the proprietary marks and signs on the interior and exterior of the Premises as FRANCHISEE is reasonably required to do pursuant to the Franchise Agreement and any successor Franchise Agreement under which FRANCHISEE may operate an “ALittle” tea shop at the Premises.

3. LANDLORD agrees to furnish Franchisor with copies of any and all letters and notices sent to FRANCHISEE pertaining to the Lease at the same time that such letters and notices are sent to FRANCHISEE. LANDLORD further agrees that, if it intends to terminate the Lease, the LANDLORD will give Franchisor at least thirty (30) days advance written notice or such intent, specifying in such notice all defaults that are the case of the proposed termination. Franchisor will have after the expiration of the period during which FRANCHISEE may cure such default, an additional fifteen (15) days (or if there is no cure period, at least fifteen (15) days) to cure, at its sole option, any such defaults. Franchisor, or an affiliate of Franchisor, will have the right, but not obligation, upon giving written notice of its election to FRANCHISEE and LANDLORD, to cure the breach and succeed to FRANCHISEE’s rights under the Lease, and any renewals or extensions thereof.

4. Upon default, expiration or termination of the Franchise Agreement or the Lease, and upon notice to LANDLORD, Franchisor or its designee will have the option, without however any obligation, to assume the FRANCHISEE’s Lease obligations, on the same terms and conditions available to the FRANCHISEE. Further, if FRANCHISEE or any other party with an interest in FRANCHISEE transfers to Franchisor or another party all of its or their interest in the Franchise Agreement, the FRANCHISEE or the Franchised

Tea Shop, the transferee will have the right to assume the Lease on the same terms and conditions as contained in the Lease.

5. Franchisor will have the right to enter the Premises to make any reasonable modification or reasonable alteration necessary to protect Franchisor's interest in its proprietary marks. LANDLORD agrees that in such event Franchisor will not be liable for trespass or any other crime or tort. Further, Franchisor or its designated agents will be permitted to enter the Premises for purposes of making inspections in accordance with the terms of the Franchise Agreement.

6. FRANCHISEE may assign to Franchisor all of its rights of further assignment at any time if the LANDLORD is given reasonable notice thereof. Such an assignment will be effective only if accepted in writing by Franchisor.

7. Upon request of Franchisor, the LANDLORD will provide Franchisor with copies of all reports, information, or data in LANDLORD's possession with respect to sales made from the Premises.

8. Copies of any and all notices pertaining to the Lease will also be sent to Franchisor at the following address, or at such other address as may be designated by Franchisor in writing: 425 West Valley Boulevard, Suite 140-505, San Gabriel, California 91776.

9. To the extent of any conflict between the terms and conditions of this Addendum and the Lease, this Addendum will govern.

FRANCHISEE	**LANDLORD**
______________________________	______________________________
By: ____________________________ Name: Title:	By: ____________________________ Name: Title:

EXHIBIT B
AREA DEVELOPMENT AGREEMENT

(see attached)

ALITTLE TEA
AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT ("**Agreement**") is made and entered into as of the _____ day of _______________, 20__, by and between Dian Dian Food Service LLC, a Delaware limited liability company ("**we**," "**us**" or "**our**"), and ___________________________, a __________________ ("**you**" and "**your**").

PREAMBLE

1. We are engaged in the business of franchising "ALittle Tea" tea shops under the Marks and Systems in the United States, as more fully described in our ALittle Tea Franchise Agreement, which may be amended from time to time (the "**Franchise Agreement**");

2. You are aware of the benefit derived from being identified with and franchised by us in order to use the Marks and System as more fully described in the Franchise Agreement;

3. You have simultaneously executed a Franchise Agreement pertaining to the first ALittle Tea Shop ("**First Unit**"), which you agree to open or have opened within the time specified in the Franchise Agreement;

4. You desire to obtain area development rights to establish and operate additional ALittle Tea Shop franchises ("**Subsequent Units**") from us within a specific geographical area and according to a specific time schedule as provided herein; and

5. Capitalized terms used herein but undefined have the meanings ascribed to them in the Franchise Agreement.

NOW, the parties agree as follows:

I TERRITORIAL EXCLUSIVITY

A. Development Area. According to the terms and conditions in this Agreement, we grant to you and you accept the exclusive right, during the term of this Agreement, to establish and operate franchise units of ALittle Tea Shops (each referred to as a "**Unit**" and collectively referred to as the "**Units**") in the area, which we refer to as the "**Development Area**" other than in a Non-Traditional Location as described in Attachment B during the term of this Agreement. A "**Non-Traditional Location**" is a location that is in location that is a transportation facility, sporting facility, shopping mall, food court, farmer's markets, educational facility, military facility and temporary locations such as kiosks and mobile units. A Non-Traditional Location is not considered part of the Development Area. So long as you are not in default under this Agreement or any other agreement with us or our Affiliates, neither we nor our Affiliates will operate or grant a franchise to any other person or entity to operate an ALittle Tea Shop within the Development Area.

Until the termination, expiration or Transfer (as defined below) of this Agreement, you retain your right of exclusivity as long as you comply with your obligations under this Agreement, including the Development Schedule (as defined below). If you fail to meet any of your obligations under this Agreement, including compliance with the Development Schedule, or if you breach any Franchise Agreement executed by you pursuant to this Agreement, we may terminate this Agreement along with your right to develop, open and operate new Units within the Development Area, but the termination of this Agreement and the right to develop your Development Area will not terminate any rights granted under the Franchise

Agreements then in effect between you and us in which you are in compliance. After the expiration or termination of this Agreement, we may own, operate, franchise or license others to operate additional Units anywhere, without restriction, including in your Development Area, except for within any Assigned Territories under your Franchise Agreement(s) which remain in effect.

B. The Rights We Retain in the Development Area. Except as limited by Section 1.A above, we and our Affiliates retain all rights with respect to ALittle Tea Shops, the Marks, the sale of similar or dissimilar products and services and any other activities we deem appropriate whenever and wherever we desire, including (1) the right to own or operate, or license others to own, operate ALittle Tea Shops immediately adjacent to your Development Area, anywhere outside of your Development Area and in any Non-Traditional Location within and outside of the Assigned Territory or within and outside of the Development Area, (2) the right to operate or license other to operate similar businesses or any other businesses and services under trademarks or service marks other than the Marks in any location, both inside or outside of your Development Area, (3) the right to operate or license other to operate businesses that are not similar to an ALittle Tea Shop under the Marks in any location, both inside or outside of your Development Area, and (4) the right to offer any products or services (including the products and services you offer at your ALittle Tea Shop) through other channels of distribution (including grocery stores, the Internet and other non-restaurant outlets) both inside and outside of your Development Area. We are not required to pay you if we exercise any of the rights specified above inside your Development Area.

We and our Affiliates have the right, now or in the future, to purchase, be purchased, merge, acquire, be acquired or affiliated with an existing competitive or non-competitive franchise network, chain or any other business, and we, our Affiliates or the successor has the right to operate, franchise or license those businesses and/or facilities as ALittle Tea Shops operating under the proprietary marks or any other Marks following such purchase, merger, acquisition or affiliation.

We and our Affiliates may sell ourselves, our assets, our proprietary marks, the Marks, our systems and/or the System to a third party, may go public, may engage in a private placement of some or all of our securities, may merge, acquire other corporations or entities, or be acquired by another corporation or entity, and/or may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring. With regard to any of the above transfers, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of our name, the Marks (or any variation thereof), the System and/or the loss of association with or identification of ALittle Tea Shops as a developer under this Agreement. If we assign our rights in this Agreement, nothing will be deemed to require us to remain in the restaurant business or to offer or sell any products or services to you.

II DEVELOPMENT OBLIGATIONS

A. Development Schedule. You will construct, equip, open and operate within the Development Area the number of Units within each of the time periods described in Attachment B attached to this Agreement (the "**Development Schedule**"). You must execute a Franchise Agreement as provided in Section V.A below and pay the remaining balance of the Initial Franchise Fee due for each of the Subsequent Units within the time periods described in the Development Schedule. Further, you must open each Unit within the time period described in the Franchise Agreement applicable to each Unit and in the Development Schedule. You will at all times faithfully and diligently comply with the obligations imposed by this Agreement and under the Franchise Agreement for each Unit.

B. Force Majeure/Time of Essence. It is of material importance to us that you timely perform all obligations under this Agreement and the Franchise Agreement for each Unit. Should you be unable to meet the Development Schedule solely as the result of force majeure, which includes strikes, material shortages, fires, floods, earthquakes, and other acts of God, or by force of law (including our inability to deliver a Franchise Disclosure Document), and which you could not have avoided by the exercise of due diligence, the Development Schedule will be extended by the amount of time during which such force majeure existed.

III TERM

The term of this Agreement will start on the date this Agreement is signed by both parties and you have paid us the Development Fee. Unless terminated earlier according to the terms of this Agreement, the term of this Agreement and all area development rights granted in this Agreement will expire at the earlier of the opening of the last Unit listed in the Development Schedule or the expiration date listed on Attachment B. There is no right to renew this Agreement.

IV DEVELOPMENT FEE

In exchange for the rights granted under this Agreement, you will pay us the Initial Franchise Fee under the Franchise Agreement for the First Unit and a Development Fee of Seven Thousand Five Hundred Dollars ($7,500.00) for each Subsequent Unit you agree to open in the Development Area. The total amount of the Development Fee is set forth in Attachment B. You will pay us the Development Fee when you sign this Agreement. The portion of the Development Fee attributable to each Subsequent Unit will be credited against the Initial Franchise Fee due under each separate Franchise Agreement for each applicable Subsequent Unit. You will be required to pay the balance of the Initial Franchise Fee due under each Franchise Agreement when you sign the applicable Franchise Agreement. You recognize that we have incurred administrative and other expenses in relation to this Agreement, and that development opportunities have been lost or curtailed as a result of the exclusivity granted in this Agreement. For this reason, no part of the Development Fee is refundable, even if you fail to proceed with the development of Units under this Agreement.

V FRANCHISE AGREEMENT

A. **Signing the Franchise Agreement.** Within the times specified in the Development Schedule, you must execute a Franchise Agreement for each Subsequent Unit and pay the balance of the Initial Franchise Fee owed under that Franchise Agreement. You will execute a Franchise Agreement in the form of Attachment A, subject to any changes or modifications required by any applicable laws or, at our option, the then-current form of Franchise Agreement (although the Royalty Fee and Marketing Fee will remain the same as in the Franchise Agreement in Attachment A). In no event will you be required to sign a Franchise Agreement until such time as we have complied with any applicable waiting periods according to law.

B. **Complying with the Franchise Agreement.** After you sign a Franchise Agreement, you will fully comply with all of the terms contained in the Franchise Agreement including paying all of the fees required by that Franchise Agreement in a timely manner. HOWEVER, YOU DO NOT OBTAIN ANY RIGHTS AS A FRANCHISEE FOR A PARTICULAR LOCATION UNTIL A FRANCHISE AGREEMENT IS SIGNED BY YOU AND US AND YOU HAVE PAID US THE BALANCE OF THE INITIAL FRANCHISE FEE. You must submit all proposals for sites to us for our consent. We have the right, in our absolute discretion, to withhold our consent to any site you propose. Our consent to the site is no assurance of success.

C. **Our Discretion.** You acknowledge that all Units must be developed and operated according to our standards. You agree and recognize that we may refuse to grant a Franchise Agreement for a Subsequent Unit if we believe, in our reasonable judgment, that you do not have sufficient financial resources and other ability (including, but not limited to, experience, character, skill, aptitude, attitude, and business acumen sufficient to operate multiple locations) to properly develop and operate the proposed Subsequent Unit. We may take into account, among other things, your past performance and financial success of your existing Units. In order to assist us in making such a determination, you must provide us, upon our request, the financial and other information regarding your existing Unit(s) and the proposed Subsequent Unit. Our approval, however, is not deemed to be a warranty of your financial or other ability to develop and operate the proposed Subsequent Unit(s).

D. Marks. You acknowledge that we are not granting you any right to use the Marks under this Agreement. Any rights you receive regarding the use of the Marks arise from the Franchise Agreement you signed or will sign, and you may only use the Marks pursuant to the terms of that Franchise Agreement.

VI ASSIGNABILITY

A. By You. We have granted these development rights in reliance upon our perception of the individual and collective character, skill, attitude, and business and marketing abilities of you and your owners. Therefore, there can be no Transfer of any interest in this Agreement, or you, without our prior written consent. Any consent by us will not operate as consent to any future Transfer, and no future Transfer will be valid without our prior written consent to that specific Transfer. Any attempted Transfer in violation of this paragraph is voidable at our option. We will not unreasonably withhold our consent to such a Transfer, provided that each of the following conditions are satisfied:

1. You have substantially performed the obligations and duties under this Agreement and any other agreements between you and us.

2. You must pay a non-refundable transfer fee in the amount of One Thousand Five Hundred Dollars ($1,500.00) for each undeveloped Subsequent Unit, which amount will not be applied to the Initial Franchise Fee that will be due when the Unit is developed.

3. You and all of your officers, directors, shareholders (as well as guarantors under this Agreement) will execute a general release (in the form approved by us) of any and all claims which you have or may have against us and our Affiliates and our respective officers, directors, employees and agents arising out of the franchise relationship, to the extent permitted by applicable law.

4. The proposed transferee meets our established standards for new area developers (including experience, character, skill, aptitude, business ability, and financial capability), is of good moral character, has a good credit rating and sufficient financial resources to operate the business.

5. The proposed transferee assumes all of your obligations and liabilities (however, such assumption will not relieve you of any such obligations and liabilities).

6. The purchase price or terms of the sale are, in our judgment, economically feasible to the proposed transferee (however, our approval is no assurance that the sale is on economically reasonable terms).

7 We may, in our absolute discretion, require that the Transfer include the assignment of all of the undeveloped Subsequent Units.

B. **By Us.** This Agreement is fully assignable, in whole or in part, by us, without your consent. Upon our assignment, we are relieved of call liability under this Agreement and all rights and obligations will accrue to our successor or assignee.

C. **No Sub-franchising.** You must not offer, sell, or negotiate the sale of ALittle Tea Shop franchises to any third party, either in your name or on our behalf or otherwise, sub-franchise, share, divide or partition this Agreement, and nothing in this Agreement will be construed as granting you the right to do so.

VII DEFAULT AND TERMINATION

A. **Default by You.** Upon written notice to you, we may terminate this Agreement for cause, but without providing you an opportunity to cure, in the event of any material breach of this Agreement by you. Material breach, as used in this Section VII, will include, among other things, any of the following:

1. Any attempt by you to sell, assign or otherwise transfer this Agreement or an ownership interest in you in violation of the terms of this Agreement.

2 Your failure to develop each of the Units within the Development Schedule set forth in this Agreement.

3. Your bankruptcy, insolvency or general assignment for the benefit of creditors.

4. Any material breach by you or your Affiliate of any Franchise Agreement or other agreement between you or your Affiliates and us or our Affiliates which is not cure within the applicable cure period in that agreement.

5. You or your owners are convicted of, plead no contest to or commit any criminal misconduct which materially and adversely affects the operation, maintenance, reputation or goodwill of us, other ALittle Tea Shops, the System or the Marks.

B. **Rights on Termination, Expiration or Transfer.** Upon expiration, Transfer or termination, for any reason, of this Agreement, all of your rights regarding the Development Area will cease and any remaining rights you may have to open any Subsequent Unit will cease. We will be entitled to establish, or to license others to establish, restaurants using the Marks and System in the Development Area, subject to the provisions in any existing Franchise Agreements you or your Affiliates have with us relating to the Assigned Territory defined in those Franchise Agreements. You or your Affiliates will continue to operate ALittle Tea Shops according to the signed Franchise Agreements between you or your Affiliates and us, if such Franchise Agreements have not been terminated. A default and termination under this Agreement, by itself, does not constitute a default and termination under any Franchise Agreement between you or your Affiliates and us.

VIII MEDIATION AND BINDING ARBITRATION

A. Before any party may bring an action in court for all controversies, disputes or claims between us and you arising from this Agreement or the franchise relationship set forth in this Agreement, the parties must first have a conference with each other to try to resolve the dispute. If this fails to bring about a resolution, the dispute will first be submitted to non-binding mediation (the "**Mediation**") in Los Angeles, California, or the closest city which has an office of the American Arbitration Association ("**AAA**"), unless the parties mutually agree to another location. The Mediation shall be conducted under the then-current AAA mediation rules (the "**AAA Mediation Rules**") except to the extent the AAA

Mediation Rules differ from the terms of this Agreement, in which event the terms of this Agreement shall be applied. You and we will select the mediator from the AAA panel (unless the parties mutually agree to the selection of another mediator). If the parties cannot agree on the selection of a mediator, AAA shall make the selection. The cost of the Mediation, including the mediator's fee and expenses, shall be split equally between you and us. All negotiations and mediation proceedings (including all statements and settlement offers made by either party or the mediator in connection with the Mediation) shall be strictly confidential, shall be considered as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and state rules of evidence, and shall not be admissible or otherwise used in connection with any court or arbitration proceeding for any purpose. The mediator may not be called as a witness in any court or arbitration proceeding for any purpose. Notwithstanding the foregoing, the obligation of this Section VIII to mediate will not be required with respect to claims relating to our trademarks, service marks, patents, or copyrights, including the Marks, claims relating to any lease or sublease of any real property between the parties or their affiliated entities, or requests by either party for temporary restraining orders, preliminary injunctions, permanent injunctions or other proceedings in a court of competent jurisdiction to obtain interim or permanent relief when deemed necessary by such court to preserve the status quo or prevent irreparable injury pending resolution by arbitration of the actual dispute between the parties.

B. If the parties, after a good faith effort to settle the dispute using Mediation, are unable to reach settlement, you and we agree that the dispute will be resolved by final and binding arbitration (the "**Arbitration**") in Los Angeles, California, or the closest city which has an AAA office, unless the parties mutually agree to another location or another location is required under applicable laws. The Arbitration shall be conducted before a single neutral arbitrator under the then-current AAA arbitration rules (the "**AAA Arbitration Rules**") except to the extent the AAA Arbitration Rules differ from the terms of this Agreement, in which event the terms of this Agreement shall be applied. You and we will select the arbitrator from the AAA panel of arbitrators, provide however the same individual will not serve as both mediator and arbitrator. If the parties cannot agree on the selection of an arbitrator, AAA shall make the selection. The decision of the arbitrator shall be final and binding on the parties, and judgment thereon may be entered in a court of competent jurisdiction. The parties acknowledge and agree that they are each waiving their rights to a jury trial in favor of having their disputes resolved by final and binding arbitration. Notwithstanding anything to contrary herein, either party may seek a temporary restraining order, preliminary injunction or other provisional injunctive or declaratory relief in any court of competent jurisdiction at any time to ensure that the relief sought in arbitration is not rendered ineffectual by any interim harm.

IX MISCELLANEOUS

A. **Notices.** All notices required under this Agreement will be in writing and will be given (i) if hand delivered on the day of delivery, (ii) three (3) business days after placement in the United States Mall by registered or certified mall, postage prepaid, or (iii) the day after placement with a courier guaranteeing overnight delivery. All notices addressed to you must be sent to the address listed on the signature page of this Agreement or at such other address you will specify in a notice to us. All notices addressed to us must be sent to Dian Dian Food Service LLC, 425 West Valley Boulevard, Suite 140-505, San Gabriel, California 91776 or such other address as we will specify in a notice to you.

B. **Severability.** If any provision of this Agreement is considered to be invalid or inoperative for any reason, that part will be deemed modified to the extent necessary to make it valid and operative, or if it cannot be modified, then severed, and the remainder of the Agreement will continue in effect as if the Agreement had been signed with the invalid portion modified or eliminated.

C. **Non-Waiver.** Neither party's waiver of a breach or default by the other, nor delay or failure to exercise any right upon breach or default, nor acceptance of any payment, will be deemed a waiver, nor will it impair rights for other breaches or defaults of the same or a different kind. The description of any breach or default in any notice will not prevent the assertion of other defaults or breaches. We may waive any one or more of the requirements imposed under this Agreement for the benefit of any particular franchisee or any particular Unit, but the waiver in favor of any other franchisee or Unit will not prevent us from enforcing the requirements against you, all other franchisees and all other Units.

D. Remedies. The remedies available to us are non-exclusive and nothing stated in this Agreement will act to prevent our pursuit of any other rights or remedies arising due to termination of this Agreement which may otherwise become available to us in law or equity.

E. Attorney's Fees and Other Professional Fees. If we incur attorneys' fees, professional fees or other expenses in seeking enforcement of this Agreement or defending any other claim you bring against us, including without limitation, a claim related to the offering of a franchise, you will be required to reimburse us for our reasonable costs and expenses (including attorneys' and expert witness fees).

F. Approval and Guarantees of Shareholders, Partners or Members. If you are a corporation, partnership or limited liability company, all shareholders, partners or members (and their shareholders, partners or members if they are an entity) will guarantee each Franchise Agreement for a Unit.

G. Choice of Law. Except to the extent that this Agreement or any particular dispute is governed by the United States Trademark Act of 1946 (Lanham Act, 115 U S C 1051), this Agreement will be governed, to the extent permissible, by the laws of the state where your Development Area is located without regard to the principals of conflict of laws. The provisions of this Agreement which conflict with any applicable law will be ineffective, but only to the extent not in accordance with applicable law, and instead, we will comply with the applicable law respecting each of these matters. If a state regulator requires an amendment to this Agreement, the amendment is attached to this Agreement. We are not, however, precluded from contesting the validity, enforceability, or applicability of any state laws or regulations in any action relating to this Agreement or to its rescission or termination.

H. Non-Liability of Our Affiliates. We are the only entity obligated to you under this Agreement. You may not look to any of our Affiliates or related companies, other business entities or individuals for performance of this Agreement.

I. Limitation of Legal Actions.

1. IN NO EVENT WILL WE BE LIABLE TO YOU FOR PROSPECTIVE PROFITS OR SPECIAL, INDIRECT, PUNITIVE OR CONSEQUENTIAL DAMAGES FOR ANY CONDUCT ARISING OUT OF THIS AGREEMENT OR OUR RELATIONSHIP WITH YOU.

2. THE PARTIES WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THEM RELATING TO OR ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP OF THE PARTIES.

3. ANY DISAGREEMENT BETWEEN YOU (AND YOUR GUARANTORS AND OWNERS) AND US (AND OUR AFFILIATES AND OWNERS) WILL BE CONSIDERED UNIQUE AS TO ITS FACTS AND MUST NOT BE BROUGHT AS A CLASS ACTION AND YOU (AND YOUR GUARANTORS AND OWNERS) WAIVE ANY RIGHT TO PROCEED AGAINST US (AND OUR AFFILIATES, OWNERS, MANAGERS, OFFICERS, EMPLOYEES, AGENTS, SUCCESSORS AND ASSIGNS) BY WAY OF CLASS ACTION, OR BY WAY OF A MULTI-PLAINTIFF, CONSOLIDATED OR COLLECTIVE ACTION.

4. YOU WILL BE BARRED FROM BRINGING ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR OUR RELATIONSHIP WITH YOU, UNLESS A BINDING ARBITRATION IS COMMENCED WITHIN 1 YEAR FROM THE DATE ON WHICH YOU KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THAT CLAIM.

J. Receipt of the FDD. You acknowledge receipt of our franchise disclosure document ("**FDD**") along with this Agreement, at least fourteen (14) days before your execution of this Agreement or any payment by you to us. If any unilateral modifications have been made to this Agreement, you acknowledge that you have had at least seven (7) days to review them.

K. Construction of Language. The language of this Agreement will be construed according to its fair meaning, and not strictly for or against either party. All words in this 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 will be joint and several. Headings are for reference purposes and do not control interpretation.

L. Entire Agreement. You and we each acknowledge and warrant to each other that you and we each wish to have all terms of our business relationship defined in this Agreement. Neither you nor we wish to enter into a business relationship with the other in which any terms or obligations are the subject of alleged oral statements or in which oral statements serve as the basis for creating rights or obligations different than or supplementary to the rights and obligations set forth herein. Accordingly, you and we agree that this Agreement, together with any other documents or agreements executed by the parties contemporaneously hereto, supersede and cancel any prior and/or contemporaneous discussions (whether described as representations, inducements, promises, agreements or any other term) between us or anyone acting on our behalf and you or anyone acting on your behalf, which might be taken to constitute agreements, representations, inducements, promises or understandings (or any equivalent to such terms) with respect to the relationship between the parties. This Agreement, together with any other documents or agreements executed by the parties contemporaneously hereto or incorporated herein by reference, constitutes the entire agreement between the parties and contains all of the terms, conditions, rights and obligations of the parties with respect to any aspect of the relationship between the parties. No further franchise rights or offer of franchise rights have been promised to you and no such franchise rights or offer of franchise rights shall come into existence, except by means of a separate writing, executed by one of our officers or such other entity granting the franchise rights and specifically identified as a modification of this Agreement. No amendment to this Agreement is binding unless executed in writing by both parties.

X INDEPENDENT CONTRACTOR/INDEMNIFICATION

A. Independent Contractor. We and you are independent contractors, and no partnership, fiduciary, joint venture, or employment relationship exists between you and us. You will conspicuously identify yourself in all dealings with the public as an independently owned business. Neither we nor you will make any agreements or representations in the name of or on behalf of the other that their relationship is other than franchisor and franchisee.

B. Indemnification. Under no circumstances will we be liable for any act, omission, debt, or other obligation of yours. To the fullest extent permitted by law, you (for yourself and your employees, agents, subcontractors, successors and assigns) agrees, at your sole cost and expense, to indemnify, defend and hold harmless, and to reimburse on demand us, and all entities related to us and our and their respective directors, officers, members, employees agents, managers, partners, attorneys, licensees, affiliates successors and assigns ("**Indemnified Parties**") for and against any and all damages, losses, liabilities, bodily injury, property damage, obligations, penalties, fines, claims, litigation, demands, defenses, judgments, suit proceedings, administrative orders, consent agreements, costs, disbursements or expenses of any kind or any nature whatsoever, including without limitation, reasonable attorneys' and expert fees and disbursements arising out of or related to or in any way arising out of the acts or omissions of yours or your employees, agents, officers, directors, parents, subsidiaries, affiliates, successors and assigns ("**Indemnitors**") arising out of or related to (i) any act or omission, negligent or otherwise, of the Indemnitors or anyone directly or indirectly employed by them or anyone whose acts they may be liable relative to the business contemplated by this Agreement, (ii) any breach by the Indemnitors or any term or provision of this Agreement, and (iii) the cost, including, but not limited to reasonable attorney's fees, of enforcing this indemnification provision. The obligations of Indemnitors are joint and several.

This Indemnification must not be construed to indemnify an Indemnified Party to the extent such indemnification is prohibited by law, including, an indemnification of any Indemnified Party from its own negligence, if prohibited by law. To the extent indemnification of any party hereunder would be prohibited by law, this provision will not apply to such party, but will continue to be effective as to all other parties with respect to whom indemnification is not prohibited by applicable law.

XI REPRESENTATIONS AND ACKNOWLEDGMENTS/CAVEAT

YOU REPRESENT TO US THAT YOUR SIGNATURE ON AND PERFORMANCE OF THIS AGREEMENT DOES NOT VIOLATE OR CONSTITUTE A BREACH OF THE TERMS OF ANY OTHER AGREEMENT OR COMMITMENT TO WHICH YOU, YOUR GUARANTORS OR ANY OF YOUR OR THEIR AFFILIATES ARE A PARTY.

UNDER APPLICABLE LAW, INCLUDING WITHOUT LIMITATION EXECUTIVE ORDER 1224, SIGNED ON SEPTEMBER 23, 2001 (THE "**ORDER**"), WE ARE PROHIBITED FROM ENGAGING IN ANY TRANSACTION WITH ANY PERSON ENGAGED IN, OR WITH A PERSON AIDING ANY PERSON ENGAGED IN, ACTS OF TERRORISM AS DEFINED IN THE ORDER. ACCORDINGLY, YOU DO NOT, AND HEREAFTER WILL NOT, ENGAGE IN ANY TERRORIST ACTIVITY. IN ADDITION, YOU ARE NOT AFFILIATED WITH AND DO NOT SUPPORT ANY INDIVIDUAL OR ENTITY ENGAGED IN, CONTEMPLATING, OR SUPPORTING TERRORIST ACTIVITY. FINALLY, YOU ARE NOT ACQUIRING THE RIGHTS GRANTED UNDER THIS AGREEMENT WITH THE INTENT TO GENERATE FUNDS TO CHANNEL TO ANY INDIVIDUAL OR ENTITY ENGAGED IN, CONTEMPLATING, OR SUPPORTING TERRORIST ACTIVITY, OR TO OTHERWISE SUPPORT OR FURTHER ANY TERRORIST ACTIVITY.

NO PERSON HAS THE AUTHORITY TO BIND OR OBLIGATE US EXCEPT AN AUTHORIZED OFFICER OF OURS BY A WRITTEN DOCUMENT. NO REPRESENTATIONS AS TO PROJECTIONS, FINANCIAL PERFORMANCE, POTENTIAL SUCCESS, FUTURE PROFITS, PROMISES, GUARANTEES OR WARRANTIES OF ANY KIND ARE AUTHORIZED TO BE MADE BY US OR OUR AFFILIATES OR REPRESENTATIVES.

YOU ACKNOWLEDGE THAT YOU HAVE RECEIVED, READ AND UNDERSTAND THIS AGREEMENT AND ITS ATTACHMENTS, THAT YOU HAVE HAD AN OPPORTUNITY TO ASK US ALL QUESTIONS RELATING TO THIS AGREEMENT AND THE SYSTEM, AND THAT WE HAVE ANSWERED ALL YOUR QUESTIONS TO YOUR SATISFACTION.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

FRANCHISOR:	**DEVELOPER (if an entity):**
Dian Dian Food Service LLC	________________________________
By: _______________________________ Name: Title:	By: _______________________________ Name: Title:
Address: 425 West Valley Boulevard Suite 140-505 San Gabriel, California 91776	Address: ___________________________ ___________________________________
	DEVELOPER (if individual(s)):
	___________________________________ Name:
	Address: ___________________________ ___________________________________

ATTACHMENT A

FORM OF FRANCHISE AGREEMENT

(see attached)

ATTACHMENT B

DEVELOPMENT AREA, DEVELOPMENT FEE, DEVELOPMENT SCHEDULE AND EXPIRATION DATE

Development Area

The Development Area is:

____

____

____, exclusive of any Non-Traditional Locations.

Development Fee

Number of Units: __________

Amount of the Development Fee: ____________

Development Schedule

Unit Number	**Date Franchise Agreement Must be Executed and Initial Franchise Fee Paid**	**Date Unit Must Be Opened**

Expiration Date

The expiration date is: _________________, 20__

EXHIBIT C
TABLE OF CONTENTS OF MANUAL

Subject to Change

EXHIBIT D

STATE LAW ADDENDA TO
DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT

(See attached)

CALIFORNIA ADDENDUM
TO
DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT

1. **Registration of this franchise does not constitute approval, recommendation, or endorsement by the Commissioner of the Department of Financial Protection and Innovation.**

2. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE OFFERING CIRCULAR 14 DAYS PRIOR TO EXECUTION OF AGREEMEN

3. 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 area development agreement contains provisions that are inconsistent with the law, the law will control.

4. The franchise agreement and area development agreement provide for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A. Sec. 101 et seq.).

5. The franchise agreement and area development agreement contain covenants not to compete which extend beyond the termination of the franchise. These provisions may not be enforceable under California law.

6. The franchise agreement contains a liquidated damage clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

7. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

8. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside of the State of California.

9. You must sign a general release if you renew or transfer your franchise agreement or area development agreement. California Corporation Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).

10. OUR WEBSITE, www.alittle-tea.com, 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.

11. The franchise agreement requires mediation and arbitration. The mediation and/or arbitration will occur in Los Angeles County, California with each party bearing its own costs. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California. Business and Professions Code Section 20040.5 relating to forum selection clauses restricting venue outside the state of California or arbitration may be preempted by the Federal Arbitration Act. Section 20040.5 may still apply to any provision relating to judicial proceedings. A binding arbitration provision may not be enforceable under generally applicable contract defenses, such as fraud, duress, or unconscionability.

12. You will not receive an exclusive territory. You may face competition from other franchisees, from other outlets that we own, or from other channels of distribution or competitive brands that we control.

13. The highest interest rate allowed by law in California for late payment is 10% annually.

14. 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.

15. California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

EXHIBIT E
LIST OF CURRENT AND FORMER FRANCHISEES

LIST OF CURRENT FRANCHISEES:

None.

LIST OF FORMER FRANCHISEES:

None.

EXHIBIT F
FINANCIAL STATEMENTS

(see attached)

Dian Dian Food Service, LLC

FINANCIAL STATEMENTS AND
INDEPENDENT ACCOUNTANTS' REVIEW REPORT
DECEMBER 31, 2024

KWL LLP
Certified Public Accountants+

CONTENTS

KWL LLP CERTIFIED PUBLIC ACCOUNTANTS+

Audit • Tax • Advisory

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Management and Board of Directors of
Dian Dian Food Service LLC

We have reviewed the accompanying financial statements of Dian Dian Food Service LLC, which comprise the balance sheet as of December 31, 2024, and the related statements of operation and member's equity, and cash flow for the year then ended, and the related notes to the financial statement. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for it to be in accordance with accounting principles generally accepted in the United States of America.

KWL LLP

February 6, 2025
Diamond Bar, CA

KWL LLP 3333 South Brea Canyon Road, Suite 201, CA 91765 USA
Tel: +1 909 575 8168 • Fax: +1 909 363 8808 • info@kwlcpa.com

Dian Dian Food Service LLC

Balance Sheet

December 31, 2024

(Unaudited)

Assets

Current Assets		
Cash and cash equivalents	$	320,000
Total current assets		320,000
Total Assets	$	320,000

Liabilities and Member's Equity

Current Liabilities		-
Long-Term Liabilities		-
Member's Equity		
Contributed Capital	$	320,000
Total member's equity		320,000
Total Liabilities and Member's Equity	$	320,000

Dian Dian Food Service LLC

Statement of Operations and Member's Equity

For the Year Ended December 31, 2024

(Unaudited)

Revenue	$ -
Cost of sales	-
Gross profit	-
Operating expenses	-
Income (Loss) from operations	-
Non-operating income (expenses)	
Total non-operating income (expenses)	-
Income (Loss) before income taxes	-
Provision for income taxes (benefit)	-
Net Loss	-
Member's equity, beginning of year	-
Member's contributions	320,000
Member's withdrawals	-
Member's equity, December 31, 2024	$ 320,000

The accompanying notes are an integral part of the financial statements

Dian Dian Food Service LLC

Statement of Cash Flows

For the Year Ended December 31, 2024

(Unaudited)

Cash Flows from Operating Activities		
Net loss	$	-
Adjustments to reconcile net income to net cash		
Changes in assets and liabilities:		
Net cash provided by operating activities		-
Cash Flows from Investing Activities		
Net cash (used in) investing activities		-
Cash Flows from Financing Activities		
Member's contribution		320,000
Net cash provided by financing activities		320,000
Net increase in cash and cash equivalents		320,000
Cash and Cash Equivalents		
Beginning		-
Ending	$	320,000
Supplemental Disclosure of Cash Flows		
Cash paid during the year for:		
Interest	$	-

The accompanying notes are an integral part of the financial statements

Dian Dian Food Service LLC
Notes to the Financial Statements
December 31, 2024

Note 1. Nature of Business and Significant Accounting Policies

Nature of Business:
Dian Dian Food Service LLC (hereinafter, "the Company", the "LLC"), is a Domestic Limited Liability Company organized under the state law of Delaware on April 30, 2024 and is primarily engaged in the business of franchising the Company's tea shops throughout the United States. The Company's franchisees provide high quality desert and tea-based beverages to customers.

The number of franchise tea shop operating as of period end was as follows:

12/31/2024	-	0

A summary of the Company's significant accounting policies is as follows:

Use of Estimates:
The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents:
For purposes of reporting cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Concentration:

Cash and cash equivalents:
The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. As of December 31, 2024, the Company's bank account has exceeded the FDIC insured limits. The Company has not experienced any losses in such accounts.

Income taxes:
Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Valuation allowances are established when it is more likely than not that some or all of the deferred tax assets will not be realized. As of December 31, 2024, there were no deferred taxes after 100% valuation allowance.

Note 1. Nature of Business and Significant Accounting Policies – Continued

Fair Value of Financial Instruments:
FASB ASC 820, "fair Value Measurement" defines fair value for certain financial and nonfinancial assets and liabilities that are recorded at fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. It requires that an entity measure its financial instruments to base fair value on exit price, maximize the use of observable units and minimize the use of unobservable inputs to determine the exit price. It establishes a hierarchy which prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy increases the consistency and comparability of fair value measurements and related disclosures by maximizing the use of observable inputs and minimizing the use of unobservable inputs by requiring that observable inputs be used when available. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the assets or liabilities based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy prioritizes the inputs into three broad levels based on the reliability of the inputs as follows:

- Level I - Inputs are quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date. Valuation of these instruments does not require a high degree of judgment as the valuations are based on quoted prices in active markets that are readily and regularly available.

- Level 2 - Inputs other than quoted prices in active markets that are either directly or indirectly observable as of the measurement date, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

- Level 3 - Valuations based on inputs that are unobservable and not corroborated by market data. The fair value for such assets and liabilities is generally determined using pricing models, discounted cash flow methodologies, or similar techniques that incorporate the assumptions a market participant would use in pricing the asset or liability.

The carrying values of certain assets and liabilities of the Company, such as cash and cash equivalents, due to related parties, approximate fair value due to their relatively short maturities.

Note 2. Members' Equity

The sole member of the LLC, Keng-Shen Lou, entered into and operated the LLC pursuant to a Limited Liability Company Operating Agreement dated April 30, 2024. Under the terms of the agreement, Keng-Shen Lou holds 100% of the financial and voting interest in the LLC. Keng-Shen Lou contributed $320,000 of initial capital on August 22, 2024.

Note 3. Subsequent Events

Management has evaluated all events or transactions through February 6, 2025, the date which the financial statements was available to be issued. All subsequent events requiring recognition as of December 31, 2024 have been incorporated into the unaudited financial statements and there are no subsequent events that require disclosure in accordance with FASB ASC Topic 855, "Subsequent Events."

*****

EXHIBIT G
LIST OF STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

NOTE: SOME STATES REQUIRE THAT THE FRANCHISE BE REGISTERED WITH A STATE AGENCY. WE DO NOT OFFER OR SELL FRANCHISES IN ANY OF THOSE STATES UNLESS WE ARE REGISTERED, AND THE LISTING OF A STATE BELOW DOES NOT MEAN THAT WE ARE SO REGISTERED.

California
Department of Financial Protection and Innovation
One Sansome Street, Suite 600
San Francisco, CA 94104
www.dfpi.ca.gov
(866) 275-2677
Ask.DFPI@dfpi.ca.gov

Florida
Department of Agriculture and Consumer Services
Division of Consumer Services
227 N. Bronough Street
City Centre Building, 7th Fl
Tallahassee, FL 32301
(904) 922-2770

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

Illinois
Office of Attorney General
Franchise Division
500 South Second Street
Springfield, IL 62706
(217) 782-4465

Indiana
Indiana Secretary of State
Securities Division
302 West Washington Street
Room E-111
Indianapolis, IN 46204
(317) 232-6681

Maryland
Office of Attorney General
Maryland Division of Securities
200 St. Paul Place
Baltimore, MD 21202-2020
(410) 576-6360

Michigan
Attorney General Consumer Protection Division
Franchise Section
525 W. Ottawa St., 1st Floor
Lansing, MI 48913
(517) 373-7117

Minnesota
Department of Commerce
Registration and Licensing
85 7th Place East, Suite 500
St. Paul, MN 55101
(612) 296-6328

Nebraska
Dept. of Banking & Finance
1526 K Street, Suite 300
P.O. Box 95008
Lincoln, NE 68509
(402) 471-3445

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

North Dakota
North Dakota Securities Department
600 East Boulevard, State Capitol, 5th Floor, Dept. 414
Bismarck, ND 58505-0510
(701) 328-4712

Oregon
Depart. of Ins. and Finance
Corporate Securities Section
Labor and Industries Building
Salem, OR 97310
(503) 378-4387

Rhode Island
Division of Securities
1511 Pontiac Avenue
John O. Pastore Complex
Building 69-2
Cranston, RI 02920
(401) 222-3048

South Dakota
Depart. of Labor & Regulation
Division of Securities
124 S. Euclid, Suite 104
Pierre, SD 57501
(605) 773-4823

Texas
Secretary of State
Statutory Document Section
P.O. Box 13563
Austin, TX 78711
(512) 475-1769

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

(804) 371-9051

Washington
Securities Administrator
Department of Financial
Institutions
Securities Division
P.O. Box 41200
Olympia, WA 98504-1200
(360) 902-8760

Wisconsin
State of Wisconsin
Office of the Commissioner of
Securities
201 W. Washington Ave.
Madison, WI 53703
(608) 261-9555

Agents for Service of Process

California
Department of Financial Protection
and Innovation
One Sansome Street, Suite 600
San Francisco, California 94104
(866) 275-2677

Hawaii
Commissioner of Securities
Business Registration Division
335 Merchant Street, Room 203
Honolulu, HI 96813
(808) 586-2722

Illinois
Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-1090

Indiana
Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6531

Maryland
Maryland Securities Commissioner
200 St. Paul Place
Baltimore, Maryland 21202-2020
(410) 576-6360

Michigan
Department of Commerce,
Corporations and Securities Bureau
670 Law Building
Lansing, Michigan 48913
(517) 334-6212

Minnesota
Commissioner of Commerce
Department of Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55101
(612) 296-4026

New York
Secretary of State
99 Washington Avenue
Albany, NewYork 12231
(518) 473-2492

North Dakota
Commissioner of Securities
600 East Boulevard, State Capitol
5th Floor
Bismarck, ND 58505-0510
(701) 328-4712

Oregon
Director of Oregon
Department of Insurance and Finance
700 Summer Street, N.E., Suite 120
Salem, Oregon 97310
(503) 378-4387

Rhode Island
Director of Rhode Island
Department of Business Regulation
233 Richmond Street, Suite 232
Providence, Rhode Island 02903-4232
(401) 222-3048

South Dakota
Director of South Dakota Division of Securities
124 S. Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-4823

Virginia
Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219
(804) 371-9733

Washington
Director
Department of Financial Institutions
Securities Division
150 Israel Road, SW
Tumwater, Washington 98501
(360) 902-8760

Wisconsin
Administrator
Department of Financial Institutions
Division of Securities
201 W. Washington Ave.
Madison, Wisconsin 538703
(608) 261-9555

EXHIBIT H
STATE EFFECTIVE DATES AND RECEIPT

(see attached)

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**
California	[TBD]

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT
(Your 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 Dian Dian Food Service LLC, dba ALittle Tea, 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.

If Dian Dian Food Service LLC, dba ALittle Tea, 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, D.C. 20580 and the appropriate state agency identified on Exhibit G.

The name, principal business address and telephone number of each franchise seller offering the franchise: contact Chih-Cheng Hsu, 425 West Valley Boulevard, Suite 140-505, San Gabriel, California 91776, TEL: (586) 907-4100

Issuance Date: January 21, 2025

I have received a disclosure document dated January 21, 2025, that included the following Exhibits:

A. Franchise Agreement
B. Area Development Agreement
C. Table of Contents of Manual
D. State Law Addenda to FDD, Franchise Agreement and Area Development Agreement
E. List of Franchisees
F. Financial Statements of Franchisor
G. List of State Agencies/Agents for Service of Process
H. State Effective Dates
I. Receipt

Date	Signature	Print Name
Date	Signature	Print Name

Please keep this copy of the Receipt 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 Dian Dian Food Service LLC, dba ALittle Tea, 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.

If Dian Dian Food Service LLC, dba ALittle Tea, 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, D.C. 20580 and the appropriate state agency identified on Exhibit G.

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F. Financial Statements of Franchisor
G. List of State Agencies/Agents for Service of Process
H. State Effective Dates
I. Receipt

___________	___________	___________
Date	Signature	Print Name
___________	___________	___________
Date	Signature	Print Name

Please sign this copy of the Receipt, date your signature and return it to Chih-Cheng Hsu, 425 West Valley Boulevard, Suite 140-505, San Gabriel, California 91776, E-mail: info@alittleteausa.com, TEL: (586) 907-4100