

FRANCHISE DISCLOSURE DOCUMENT



Cha Franchisor LLC
a Delaware limited liability company
2966 Cashel Lane, Vienna, Virginia 22181
Phone: (646) 812-0022
Email: skamran@thechacompany.com
Website: www.thechacompany.com

Cha Franchisor LLC awards franchises for a quick-service restaurant that offers high-quality Pakistani street food under the name CHA STREET FOOD™.

The total investment necessary to begin operation of a CHA STREET FOOD™ restaurant ranges from \$312,900 to \$638,000. This includes \$44,000 to \$46,000 that must be paid to the franchisor or affiliate.

This Disclosure Document summarizes certain provisions of your franchise agreement and other information in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive this Disclosure Document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government 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 the franchisor at 2966 Cashel Lane, Vienna, Virginia 22181 or by phone at (646) 812-0022.

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

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

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

Issuance Date: February 27, 2025 (amended August 18, 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 or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or EXHIBIT "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 CHA STREET FOOD™ restaurant in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a CHA STREET FOOD™ 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 "A".

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation and/or litigation only in Virginia. Out-of-state mediation or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate or litigate with the franchisor in Virginia than in your own state.
2. **Short Operating History.** 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.
3. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
4. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

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THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

Each of the following provisions is void and unenforceable if contained in any document relating to a franchise:

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) The term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.
 - (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
 - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
 - (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.
- (h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000.00, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
CONSUMER PROTECTION DIVISION
Attention: Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48913
Telephone Number: (517) 373-7117

ITEM 1 FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The franchised business offered under this Disclosure Document is for a quick-service restaurant that offers high-quality Pakistani street food under the name CHA STREET FOOD™ (a “Restaurant”). To simplify the language in this Disclosure Document, “you” means the person who buys the franchise for a Restaurant – the franchisee, and includes your partners if you are a partnership, your shareholders if you are a corporation, and your members if you are a limited liability company. “We,” “us” and “the Company” mean Cha Franchisor LLC – the franchisor.

Corporate Information

Cha Franchisor LLC is a Delaware limited liability company that was organized on December 12, 2024. Our principal business address is 2966 Cashel Lane, Vienna, Virginia 22181. Our telephone number is (646) 812-0022. Our agents for service of process are disclosed in EXHIBIT "A" (for franchise registration states) and EXHIBIT "B" (for other states). We do not do business under any names other than our legal name “Cha Franchisor LLC” and our d/b/a “Cha Street Food”.

Business History

Our founder and Chief Executive Officer, Suhail Kamran, opened the first Restaurant in Virginia in 2021. He currently owns and operates 2 Restaurants in Virginia.

We began offering franchises for Restaurants in 2025. We are not engaged in any business other than offering franchises for Restaurants and administering the franchise system. We have never offered franchises in any other line of business. We have never directly owned and operated a Restaurant.

Predecessors, Parents and Affiliates

We do not have any predecessors or parent companies. We do not have any affiliates that: (a) offer (or have ever offered) franchises in this or any other line of business; or (b) provide products or services to our franchisees.

Description of Franchised Business

The franchised business offered under this Disclosure Document is for a quick-service restaurant that offers high-quality Pakistani street food under the name CHA STREET FOOD™. Our company is dedicated to bringing the authentic flavors of Pakistani cuisine to a diverse audience. Our Restaurants offer dine-in service as well as take-out, catering and delivery service. CHA STREET FOOD™ restaurants also sell approved merchandise and retail items.

If we award you a franchise, you must sign the form of franchise agreement attached to this Disclosure Document as EXHIBIT "C" (the “Franchise Agreement”). We refer to the franchised business you purchase as your “Business” or your “Restaurant”. The Franchise Agreement grants you a license to use certain service marks, trademarks, trade names and logos, including the trademark CHA STREET FOOD™ (the “Marks”). The Marks also include our distinctive trade dress used to identify a Restaurant or the products it sells. The Franchise Agreement also grants you a license to use our system that was developed for the operation of a Restaurant (the “System”). Our confidential Brand Standards Manual (the “Manual”) describes the operational aspects of a Restaurant. You will operate your Restaurant as an independent business using the Marks, the System, the information in the Manual, and the support, guidance and other methods and materials we provide.

Market and Competition

The target market for CHA STREET FOOD™ customers includes members of the general public. The quick-service restaurant industry is competitive and well-developed. Sales are not seasonal. As a franchisee, you will primarily compete with other quick-service restaurants, especially those featuring Pakistani or comparable ethnic menu items. Some competitors are independently-owned and operated businesses while others consist of regional or national chains. Many of our competitors operate through a franchise model.

Laws and Regulations

You must comply with all local, state and federal laws that apply to businesses generally, including laws governing discrimination and sexual harassment in the work place, smoking in public areas as well as EEOC and OSHA standards. The Americans with Disabilities Act of 1990 requires readily accessible accommodations for disabled people and may affect your building construction, site design, entrance ramps, doors, seating, bathrooms, drinking facilities, etc. Building codes and requirements vary in different jurisdictions and it is important for you and your architect to be aware of and comply with all local laws.

You must comply with minimum wage laws that apply to businesses generally. Some states have enacted minimum wage laws specific to the food and beverage industry. California's Fast Food Minimum Wage law (AB 1228) applies to employees working in fast food restaurants that are part of a chain meeting certain criteria. AB 1228 establishes minimum standards for wages, working hours and other working conditions, including health and safety standards and training. Other states may enact similar legislation in the future.

The United States Department of Agriculture and the Food and Drug Administration regulate the manufacture, labeling and distribution of food products. There may also be local ordinances and regulations governing food storage, preparation and serving. The Food and Drug Administration regulates menu labeling for retail food establishments that are part of a chain of 20 or more locations operating under the same name, regardless of ownership. Many states have enacted similar state laws governing menu labeling and disclosure of nutritional content. Some state and federal laws prohibit false or misleading statements regarding the health or nutritional value of food or beverage items (such as "low calorie" or "fat free") on menus and in advertising.

You must comply with federal, state and local health and sanitation laws and licensure requirements applicable to food establishments, including laws that require food handlers to have certain inoculations and/or food service permits. Health laws are intended, in part, to reduce food borne illnesses and may cover issues such as:

- requiring employees to take a test and obtain a license as a food service worker
- having accessible sinks and bathrooms for certain size establishments
- inspections for cleanliness and sanitation standards, including equipment cleaning, food storage and packaging, ingredients utilized, refrigeration requirements, etc.

The Payment Card Industry Data Security Standard ("PCI") requires that all companies that process, store, or transmit credit or debit card information maintain a secure environment. PCI applies to all organizations or merchants, regardless of size or number of transactions, that accept, transmit or store any cardholder data.

There may be other local, state and/or federal laws or regulations that apply to your Restaurant. We strongly suggest that you investigate these laws before buying this franchise.

ITEM 2 BUSINESS EXPERIENCE

Founder and Chief Executive Officer: Suhail Kamran

Suhail Kamran has served as our Founder and Chief Executive Officer since December 2024. During the prior 5 years, he has also held the following positions:

Company	Location	Title	Period of Time
Cha Company LLC (Virginia LLC)	Springfield, IL	Co-Founder & CEO	Oct 2020 to present
Cha Company LLC (Delaware LLC)	Springfield, IL	Co-Founder & CEO	Dec 2024 to present
Imperial Décor	Gaithersburg, VA	Co-Founder & CEO	Apr 2016 to Jul 2022

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

Initial Franchise Fee

You pay us a nonrefundable \$35,000 initial franchise fee at the time you sign the Franchise Agreement. The initial franchise fee is uniformly imposed.

Initial Training Fee

You pay us a nonrefundable \$5,000 initial training fee at the time you sign the Franchise Agreement. The initial training fee covers the preopening initial training program that we provide (including the onsite component of initial training that takes place at your Restaurant shortly before your opening date). The initial training fee is uniformly imposed.

Pre-Opening Marketing Fee

You pay us a \$2,000 pre-opening marketing fee (the “Initial Marketing Fee”) at the time you sign the Franchise Agreement. We use the Initial Marketing Fee to pay for local social media influencers, digital marketing and mailers to promote the opening of your Restaurant. If the Franchise Agreement is terminated before you open the Restaurant, we will promptly refund any unused portion of the Initial Marketing Fee. The Initial Marketing Fee is not refundable under any other circumstances. The Initial Marketing Fee is uniformly imposed.

Initial Inventory of Spices and Mixes

Approximately 30 before your Restaurant opens, you must purchase an initial supply of our proprietary spices and mixes from us. We estimate the cost will range from \$2,000 to \$4,000. The cost varies based on the size of the Restaurant and projected volume of business during the initial period after the opening date. The purchase price is nonrefundable and uniformly imposed. We reserve the right to require you to purchase these items directly from third-party suppliers that we designate.

ITEM 6 OTHER FEES

TYPE OF FEE ¹	AMOUNT ^{2, 3}	DUE DATE	REMARKS
Royalty Fee	6% of Gross Sales	Day we specify after end of reporting period (currently 1 st Tuesday of each month)	You must send us a Gross Sales report for each reporting period. Our current reporting period is a calendar month. Our current royalty fee due date is the 1 st Tuesday each month. We may change the reporting period and royalty fee due date upon 30 days’ prior notice.
Brand Fund Fee	Up to 1% of Gross Sales (not currently charged)	Same as royalty fee	We do not currently administer a Brand Fund. If we establish a Brand Fund, you must pay us the brand fund fee. We will notify you 30 days before we establish a Brand Fund. You have no voting rights pertaining to the administration of the Brand Fund, the creation or placement of advertising, or the amount of the brand fund fee.
Local Marketing Commitment	1% of Gross Sales	Monthly, as incurred	This is the minimum amount you must spend on local advertising for your Restaurant (the “ <u>Local Marketing Commitment</u> ”). This expenditure is in addition to the brand fund fee (if applicable).

TYPE OF FEE ¹	AMOUNT ^{2, 3}	DUE DATE	REMARKS
Cooperative Advertising Fee	Up to 1% of Gross Sales	Same as royalty fee	Company-owned outlets have the same voting power as franchised outlets in a cooperative. If a majority of outlets are company-owned, we will not increase the fee without the majority vote of franchised outlets in favor of the fee increase. Cooperative advertising fees are credited against your Local Marketing Commitment.
Training Fee	Up to \$300 per person per day (plus Travel Expenses for onsite training)	10 days after invoice	Payable for each person who attends (a) initial training after you open (new Managing Owner or manager), (b) repeat training (after failing a prior attempt), (c) refresher or supplemental training, (d) remedial training or (e) additional training you request. You must also reimburse us for Travel Expenses we incur to provide onsite training at your Restaurant.
Conference Registration Fee	Up to \$500 per person per conference	10 days after invoice	We may hold conferences to discuss matters affecting franchisees. Attendance is mandatory unless (a) we designate attendance as optional or (b) we waive your obligation to attend based on showing of good cause. If you fail to attend a required conference without a waiver, you must pay the conference registration fee despite your non-attendance (we will send you a copy of any written materials distributed at the conference).
Technology Fee	Up to \$400 per month (currently \$250 per month for local webpage, email accounts and other tools)	10 days after invoice or as we otherwise specify	Includes amounts you pay us or our affiliate for Technology Systems, including amounts paid for proprietary items and amounts we collect from you and remit to third-parties. It may also include an administrative fee for managing the technology platform and negotiating/managing relationships with third-party licensors. It does not include amounts you pay to third parties.
System Program Fees	Up to \$1,000 per month (not currently imposed)	10 days after invoice or as we otherwise specify	You must participate in any customer loyalty or gift card program we establish and pay us (or a third-party we designate) program contributions and fees we require to administer the program.
Product Purchases	Varies depending on item purchased	10 days after invoice	We currently serve as the designated supplier for all proprietary spices and mixes. We and our affiliate may serve as System suppliers for other goods and services in the future.
New Product or Supplier Testing	Cost of testing (up to \$2,000 per test)	10 days after invoice	This covers the costs of testing new products or inspecting new suppliers you propose.
Reimbursement of Relocation Costs	All Travel Expenses and other costs we incur relating to your relocation of the Restaurant	10 days after invoice	If we approve your request to relocate your Restaurant, you must reimburse all additional costs we incur to evaluate new sites and provide pre-opening support for your new Restaurant.
Renewal Fee	\$10,000	At time you sign renewal agreement	Imposed if you renew your franchise rights by signing a renewal Franchise Agreement.
Transfer Fee	\$20,000	Before Transfer	You pay the transfer fee for all Transfers other than Permitted Transfers. If our broker finds the buyer, you must also reimburse us for all commissions we pay the broker.

TYPE OF FEE ¹	AMOUNT ^{2,3}	DUE DATE	REMARKS
Reimbursement of Quality Assurance Program Costs	Actual cost paid to company we hire	10 days after invoice	If we hire a person or company to inspect your Restaurant, you must reimburse us for all amounts we pay them for the inspection.
Reimbursement of Reinspection Costs	All Travel Expenses and other costs we incur to inspect your Restaurant	10 days after invoice	Imposed if we inspect your Restaurant to verify that you cured a (a) health or safety issue identified by a government agency or (b) breach of system standards we bring to your attention.
Audit Fee	Actual cost of audit (including Travel Expenses for audit team)	10 days after invoice	Imposed if an audit (a) is necessary because you fail to send us required information or reports in a timely manner or (b) reveals you understated Gross Sales by 3% or more.
Late Fee	\$100 plus default interest at lesser of (a) 18% per annum (prorated on daily basis) or (b) highest rate allowed by applicable law	10 days after invoice	If our debit of your account is rejected or your check to us is returned for insufficient funds, we may charge (in addition to the late fee) an NSF fee equal to the greater of \$50 or 5% of the amount past due (subject to state law). Default interest is limited to 10% in California.
Noncompliance fee	Up to \$150 per incident	Upon demand	Imposed if you breach a mandatory standard or operating procedure (including submission of required reports) and fail to cure within the time period we require. We may impose an additional \$150 fee every 48 hours the breach remains uncured after we impose the initial fee. We will deposit these fees into the Brand Fund (but only if we administer a Brand Fund at the time).
Default Reimbursements	All costs we incur to cure your default	10 days after invoice	If you fail to cure a breach of the Franchise Agreement or our brand standards in the time period we require, we may take steps to cure on your behalf and you must reimburse us for our costs (examples include failure to pay suppliers, maintain insurance or meet quality standards).
Management Fee	Up to \$300 per day plus Travel Expenses	10 days after invoice	If you fail to timely cure a default under the Franchise Agreement, we can designate a person to manage the Restaurant until default is cured.
Indemnification	Amount of our damages, losses or expenses	10 days after invoice	You must indemnify us for losses and expenses we incur due to your operation of the Restaurant or breach of the Franchise Agreement.
Attorneys' Fees and Costs	Amount of attorneys' fees and costs we incur	Upon demand	You must reimburse us for all attorneys' fees and costs we incur relating to your breach of the Franchise Agreement or any related agreement.

Notes:

1. **Nature and Manner of Payment:** All fees are imposed by and payable to us except: (a) you pay the cooperative advertising fee directly to your advertising cooperative (we may instead require you to pay this fee to us, in which case we remit the fee to the cooperative on your behalf); and (b) you spend the Local Marketing Commitment directly with third-party suppliers. All fees are nonrefundable and uniformly imposed. You must sign an ACH Authorization Form (attached to the Franchise Agreement as ATTACHMENT "E") permitting us to electronically debit your designated bank account for all amounts owed to us and our affiliates (other than fees due less than 15 days after signing the Franchise Agreement). You must deposit all Gross Sales into the bank account and ensure sufficient funds are available for withdrawal before each due date. You are responsible for all taxes imposed on you or us based on products,

intangible property (including trademarks) or services we provide to you.

2. **Definitions:** As used in this Disclosure Document, the following capitalized terms have the meanings given to them below:

“Gross Sales” means total gross revenue collected from the sale of goods and services by your Restaurant or that otherwise relate to your Restaurant, including advertising revenue, sponsorship fees and business interruption insurance proceeds. Gross Sales excludes: (a) sales or use taxes; (b) customer refunds; (c) revenue from the sale of furniture, fixtures and equipment in the ordinary course; and (d) tips paid to and retained by staff members as a gratuity. The Manual may include policies governing the calculation of Gross Sales relating to: (a) proceeds from the sale of gift cards; and/or (b) qualifying purchases and redemptions by members under a loyalty program.

“Managing Owner” means the owner you appoint and we approve with primary responsibility for the overall management and operation of your Restaurant.

“Permitted Transfer” means a Transfer: (a) between existing owners (unless it causes the Managing Owner to own less than 20% of the franchised business); or (b) by the owners to a new business entity with respect to which the transferring owners collectively own and control 100% of the ownership interests.

“Technology Systems” means all information and communication technology systems that we designate, including computer systems, point-of-sale systems, online ordering systems, webcam systems, telecommunications systems, security systems, music systems and similar systems, together with the associated hardware, software (including cloud-based software) and related equipment, software applications, mobile apps and third-party services relating to the establishment, use, maintenance, monitoring, security or improvement of these systems.

“Transfer” means a transfer or assignment of: (a) the Franchise Agreement (or any interest in the Franchise Agreement); (b) the Restaurant’s assets (other than the sale of furniture, fixtures or equipment in the ordinary course); (c) an ownership interest in the entity that is the “franchisee”; or (d) the franchised business you conduct under the Franchise Agreement.

“Travel Expenses” means all travel, meals, lodging, local transportation and other living expenses incurred: (a) by us and our trainers, field support personnel, auditors or other representatives to visit your Restaurant; or (b) by you or your personnel to attend training programs or conferences.

3. **CPI Adjustments:** All fees expressed as a fixed dollar amount are subject to adjustment based on changes to the Consumer Price Index in the United States (CPI). We may periodically review and increase these fees based on changes to CPI, but only if the increase to CPI is more than 5% higher than the corresponding CPI in effect on: (a) the effective date of the Franchise Agreement (for the initial fee adjustment); or (b) the date we implemented the last fee adjustment (for subsequent fee adjustments). We will notify you of any CPI adjustment at least 60 days before it goes into effect. We may implement no more than 1 fee adjustment during any 5-year period. We may also apply CPI adjustments to caps on your maximum required expenditures for (a) remodeling and renovations and (b) computer and POS system updates and upgrades.

ITEM 7 ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT				
TYPE OF EXPENDITURE ¹	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee	\$35,000	Lump sum	At time you sign Franchise Agreement	Us
Initial Training Fee	\$5,000	Lump sum	At time you sign Franchise Agreement	Us

YOUR ESTIMATED INITIAL INVESTMENT				
TYPE OF EXPENDITURE ¹	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Training Expenses ²	\$3,500 to \$4,500	As incurred	During training	Hotels, restaurants and airlines
Lease Deposit & Rent ³ (3 months)	\$16,000 to \$40,000	Lump sum	Monthly (with security deposit paid before opening)	Landlord
Construction ⁴	\$140,000 to \$300,000	As incurred	Before opening	Architect, contractor & suppliers
Signage ⁵	\$6,000 to \$12,000	Lump sum	Before opening	Suppliers
Decorating, Furniture & Furnishings	\$21,000 to \$60,000	As incurred	Before opening	Suppliers
Technology Systems ⁶	\$4,350 to \$6,000	Lump sum	Before opening	Suppliers
Kitchen Equipment ⁷	\$32,000 to \$70,000	Lump sum	Before opening	Suppliers
Initial Inventory ⁸	\$23,000 to \$49,000	Lump sum	Before opening	Us & Suppliers
Uniforms & Supplies	\$1,500 to \$3,000	As incurred	Before opening	Suppliers
Initial Marketing Fee & Pre-Opening Advertising ⁹	\$2,000 to \$5,000	Lump sum (fee) & as incurred	Before opening	Us & Suppliers
Utility Deposits	\$500 to \$1,500	As incurred	Before opening	Utility companies
Permits & Business Licenses	\$750 to \$2,000	Lump sum	Before opening	Government agencies
Professional Fees ¹⁰	\$1,300 to \$3,000	Lump sum	Before opening	Lawyers & accountant
Insurance Premium (3 months)	\$1,000 to \$2,000	Lump sum	Before opening	Insurance companies
Additional Funds ¹¹ (3 months)	\$20,000 to \$40,000	As incurred	As incurred	Suppliers, employees & us
Total Estimated Initial Investment ¹²	\$312,900 to \$638,000			

Notes:

- Financing and Refunds: We do not offer direct or indirect financing. If the Franchise Agreement is terminated before you open the Restaurant, we will promptly refund to you any portion of the Initial Marketing Fee that had not been spent. No other amounts paid to us are refundable. We are not aware of any amounts paid to third-party suppliers that are refundable, although your landlord may refund your security deposit at the end of the lease if you do not damage the property or default.
- Initial Training Expenses: This estimates your expenses to send 2 people to Virginia for initial training. Your actual training expenses may vary depending on: (a) the number of people you send to training; (b) the distance they must travel; and (c) the level and quality of accommodations, travel and dining selected.
- Lease Deposit & Rent: This estimate assumes you lease the premises. Rent varies depending on factors such as the size and location of the premises and local market conditions. We expect most Restaurants will range in size from 1,200 to 2,200 square feet (1,600 square feet is ideal) with rent ranging from \$4,000 to \$10,000 per month. Landlords typically require security deposits equal to 1- or 2-months' rent and may, in addition, require payment in advance of the first and/or last (or more) month's rent. The estimate in the table includes 1 month's security plus 3 months' rent. Some franchisees may choose to purchase the real estate. The cost to purchase real estate varies so widely that we cannot reasonably estimate the cost.

4. Construction: The cost of construction and leasehold improvements varies widely based on a number of factors including:
- the size and condition of the leased space
 - whether the premises is first or second generation retail space
 - the extent and nature of any existing leasehold improvements
 - the amount of landlord contributions, if any, towards leasehold improvement costs (a “TI Allowance”)
 - local demolition and construction costs and prevailing wage rates in the local market
- Some landlords provide a TI Allowance but increase monthly rent to recapture the TI Allowance and amortize it over the lease term (or part of the lease term). A significant factor in determining whether a landlord will provide a TI Allowance, and if so, the amount, is whether the building is first generation or second generation space. The estimates in the table above assume you do not receive any TI Allowance.
5. Signage: You must purchase and install the signage we specify. However, you may need to modify our standard signage to conform to local zoning laws, property use restrictions and/or lease terms. In some instances, exterior signage may be prohibited due to applicable zoning or use restrictions.
6. Technology Systems: This includes your initial cost to purchase and set up your Technology Systems, including: (a) the hardware for your POS system (\$1,900 to \$2,000); (b) the hardware for the other components of your computer system (\$1,800 to \$2,200); and (c) your music system (\$650 to \$1,800).
7. Kitchen Equipment: This includes the estimated cost to purchase your flat top cooker, burner, grill, fryer, hood system and kitchen appliances.
8. Initial Inventory: This includes the estimated cost to purchase an opening inventory of food and beverage products, paper and plastic products, cooking supplies and cleaning supplies. It includes the cost for proprietary spices and mixes you purchase from us (estimated cost is \$2,000 to \$4,000). You purchase all other inventory from third-party suppliers.
9. Pre-Opening Advertising: You pay us a \$2,000 Initial Marketing Fee that we use to pay for local social media influencers, digital marketing and mailers to promote the opening of your Restaurant. You may choose to spend additional funds on approved pre-opening advertising and marketing, but it is not required. The low estimate assumes you choose not to spend any funds on pre-opening marketing beyond the Initial Marketing Fee. The high estimate assumes you choose to spend an additional \$3,000.
10. Professional Fees: This includes the estimated fees for professionals you may choose to hire in order to:
- assist you in reviewing this Disclosure Document and negotiating your Franchise Agreement
 - advise you regarding local laws and regulations applicable to your Restaurant
 - form a business entity
 - set up your books, records and accounts
 - develop a business plan and budget for the development and operation of your Restaurant
- These services are optional but highly recommended.
11. Additional Funds: This estimates your expenses during the first 3 months of operation, including payroll costs (excluding any wage or salary paid to you), marketing and advertising expenses, technology fees, inventory replenishment costs, utilities and other miscellaneous expenses and required working capital. Your initial 3 months of rent and insurance premium are listed separately in the table above. These figures are estimates based on the experience of our management team in developing, opening and operating 2 company-owned Restaurants in Virginia.
12. Budget and Initial Investment Report: We strongly recommend you hire an accountant, business advisor or other professional to assist you in developing a budget for the construction, opening and operation of your
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Restaurant. Within 60 days after your opening date, you must send us a report, in the form we designate, listing the expenses you incur to develop and open your Restaurant. We may use this data to update the initial investment estimate in future versions of our Franchise Disclosure Document.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Source-Restricted Purchases and Leases - Generally

You must purchase or lease certain “source-restricted” goods and services for the development and operation of your Restaurant. “Source-restricted” means the good or service must meet our specifications or must be purchased from an approved or designated supplier (in some cases, an exclusive designated supplier, which may be us or an affiliate). The Manual includes our specifications and supplier list. We notify you of changes to our specifications and suppliers by email, updates to the Manual or other means of communication.

Supplier Criteria

Our criteria for evaluating a supplier include standards for quality, delivery, performance, design, appearance and price of the product or service as well as the dependability, reputation and financial strength of the supplier. Upon request, we will provide you with any objective specifications pertaining to our evaluation of a supplier or product, although certain important subjective criteria (e.g., product appearance, taste, design, functionality, etc.) are important to our evaluation but cannot be described in writing.

If you wish to purchase or lease a source-restricted item from a non-approved supplier you must send us: (a) a written request for approval; (b) product samples for testing; and (c) all additional information we request. We may condition our approval on the supplier’s agreement to comply with our minimum insurance, indemnification and confidentiality requirements for System suppliers and allow us to periodically inspect the supplier’s facility. We will notify you of our decision within 30 days after we receive all required information and product samples. We may periodically reinspect approved products and suppliers and revoke our approval if the product or supplier fails to meet our then-current criteria. You must reimburse us for all costs we incur to evaluate products and suppliers you propose (not to exceed \$2,000 per test).

Current Source-Restricted Purchases and Leases

We estimate 70% to 80% of the total purchases and leases to develop and open a Restaurant and 75% to 85% of ongoing operating expenses consist of source-restricted goods or services, as further described below.

Design and Construction Services

You must hire an architect to prepare initial design plans and detailed construction plans for your Restaurant. We must approve all plans before constructions begins. Once approved, you must construct and equip your Restaurant according to the approved plans and the specifications in the Manual. Your architect and general contractor must be appropriately licensed and bonded to the extent required by applicable law. We may require you to obtain our approval of the architect and general contractor you intend to hire.

Fixtures, Furnishings and Décor

All fixtures, furnishings and décor must meet our standards and specifications and be purchased from suppliers we designate or approve.

Kitchen Equipment

All kitchen equipment must meet our standards and specifications and be purchased from suppliers we designate or approve.

Technology Systems

Your Technology Systems (including hardware, software, equipment, software applications, mobile apps and similar items) must meet our standards and specifications. Certain components of your Technology Systems

must be purchased from approved or designated suppliers. Other components may be purchased from any supplier of your choosing. We may require you to purchase certain services relating to the establishment, use, maintenance, monitoring, security or improvement of Technology Systems from approved or designated suppliers. You must purchase the point-of-sale system that we designate. You must also license the software and other technology platforms that we designate, including those used for accounting/bookkeeping, payroll, online ordering and restaurant management.

Signage

All exterior signage must meet our standards and specifications and be purchased from suppliers we designate or approve.

Uniforms

Your employees must wear the uniforms we designate or otherwise approve. You must purchase the uniforms from a supplier we designate or approve.

Inventory

All inventory must meet our standards and specifications and be purchased from suppliers we designate or approve. We currently serve as the exclusive designated supplier for our proprietary mixes and spices. You may not utilize or sell any inventory items we have not approved.

Marketing Materials and Services

All marketing materials you prepare must comply with our brand standards and other requirements. We must approve your marketing materials prior to use. You must purchase branded marketing materials only from suppliers we designate or approve. We may require that you contract with and utilize a company we designate to: (a) develop and/or implement a customized grand opening marketing campaign; and/or (b) manage your social media. At this time, we currently serve as the exclusive supplier for the pre-opening marketing services we provide in exchange for the Initial Marketing Fee.

Merchant Processing Services

The licensor of our designated point-of-sale system may require you to obtain merchant processing services from the licensor or a merchant processor designated by the licensor.

Bookkeeping Services

During the initial 12-month period after your Restaurant opens, you must contract with and use our designated bookkeeper.

Delivery Service Providers

You must contract with and exclusively use the delivery service provider(s) that we designate or approve to provide delivery service for your Restaurant.

Insurance Policies

You must obtain the minimum insurance coverage we require (whether in the Franchise Agreement or in the Manual) from licensed insurance carriers rated A or better by AM Best, including the following:

Policy Type	Minimum Coverage
“All risk” Property Insurance	Replacement Value
Comprehensive General Liability Insurance	\$500,000 per occurrence and \$1,000,000 in the aggregate
Automobile (non-owned) Liability Insurance	\$500,000 per occurrence and \$1,000,000 in the aggregate

Policy Type	Minimum Coverage
Commercial Umbrella Insurance	\$2,000,000 per occurrence and \$2,000,000 in the aggregate
Business Interruption Insurance	At least 6 months' coverage
Worker's Compensation Insurance	As required by law
Landlord-Required Insurance	As required by lease

The required coverage and policies are subject to change. Each policy must be endorsed to: (a) name us and our owners, officers and directors as additional insureds; (b) waive all subrogation rights against us; and (c) provide us with 30 days' prior written notice of the termination, expiration, cancellation or modification of the policy.

Purchase Agreements

We currently negotiate purchase agreements with suppliers, including favorable pricing terms, for the benefit of franchisees. As of the date of this Disclosure Document, we have negotiated purchase agreements (including pricing terms) with suppliers for the following goods and services: food and beverage products; custom packaging material; and point-of-sale system. We may also purchase items in bulk and resell them to you at our cost plus a markup. Currently there are no purchasing cooperatives but we may establish them in the future. You do not receive any material benefits for using designated or approved suppliers other than having access to any discounted pricing we negotiate.

Franchisor Revenue from Source-Restricted Purchases

We are currently the exclusive designated supplier for: (a) the pre-opening marketing services we provide in exchange for the Initial Marketing Fee; (b) our proprietary mixes and spices; and (c) the technology and related services we provide in exchange for the technology fee. We may designate ourselves or our affiliate as an approved or designated supplier for other goods or services in the future. We and our affiliates may generate a profit from these purchases. No person affiliated with us is currently an approved (or the only approved) supplier. Our Founder and Chief Executive Officer, Suhail Kamran, owns an interest in us. There are no other approved or designated suppliers in which any of our officers own an interest.

We may receive rebates, payments or other material benefits from suppliers based on your purchases and leases. We have no obligation to pass these amounts through to you or use them in any particular manner. As of the date of this Disclosure Document, we do not have any relationships with suppliers that involve rebates, payments or other material benefits based on franchisee purchase or leases.

During the fiscal year ended December 31, 2024, neither we nor any affiliate of ours generated any revenue as a result of franchisee purchases or leases.

ITEM 9 FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Franchise Agreement and other agreements. It will help you find more detailed information about your obligations in these agreements and other items in this Disclosure Document.

OBLIGATION	SECTIONS IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
a. Site selection and acquisition/lease	7.1 & 7.2	Item 7 & Item 11
b. Pre-opening purchases/leases	7.3, 11.8 & 15.1	Item 5, Item 7, Item 8 & Item 11
c. Site development and other pre-opening requirements	7.3 & 7.4	Item 6, Item 7 & Item 11
d. Initial and ongoing training	5	Item 6 & Item 11
e. Opening	7.4	Item 11

OBLIGATION	SECTIONS IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
f. Fees	4.2, 5.4, 5.5, 6.6, 7.5, 8.4, 10, 11.8, 11.10, 11.12, 11.16, 13, 15.1, 16 & 19.2	Item 5 & Item 6
g. Compliance with standards and policies/Operating Manual	6.1, 7.1, 7.3, 10.3, 11 & 17.1	Item 11
h. Trademarks and proprietary information	17	Item 13 & Item 14
i. Restrictions on products/services offered	11.3	Item 16
j. Warranty and client service requirements	11.14	Not Applicable
k. Territorial development and sales quotas	Not Applicable	Item 12
l. Ongoing product/service purchases	11.8	Item 8
m. Maintenance, appearance and remodeling requirements	11.9 & 11.11	Item 11
n. Insurance	15.1	Item 6, Item 7 & Item 8
o. Advertising	10	Item 6, Item 7 & Item 11
p. Indemnification	18	Item 6
q. Owner's participation/management/staffing	8	Item 11 & Item 15
r. Records/reports	15.2 & 15.3	Item 6
s. Inspections/audits	16	Item 6 & Item 11
t. Transfer	19	Item 17
u. Renewal	4	Item 17
v. Post termination obligations	21	Item 17
w. Non-competition covenants	14	Item 17
x. Dispute resolution	22	Item 17
y. Franchise Owner Agreement (brand protection covenants, transfer restrictions and financial assurance for owners and spouses)	9 & <u>ATTACHMENT "D"</u>	Item 15

ITEM 10 FINANCING

We do not offer direct or indirect financing. We do not guarantee any of your notes, leases or obligations.

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 your Restaurant, we will:

1. Provide access to our Manual which will help you develop and operate your Restaurant. Upon your request, one of our representatives will provide you with access to our online Manual so you can review it before you sign the Franchise Agreement. Before providing access to the Manual, we may require you to sign the Confidentiality Agreement attached as EXHIBIT "D"-4. (§6.1 & 11.2)

2. Evaluate sites you propose for your Restaurant, as discussed below under “Site Selection”. (§7.1)
3. Provide our written specifications for goods and services you must purchase to develop, equip and operate your Restaurant and a list of suppliers. (§11.2)
4. Sell to you, and deliver to your Restaurant, your initial supply of our proprietary mixes and spices. Neither we nor our affiliate deliver or install any other items that you purchase. (§11.8(b))
5. Evaluate your Restaurant’s design and buildout, as discussed below under “Site Development”. (§7.3 & 7.4)
6. Provide an initial training program, as discussed below under “Training Program”. (§5.1)
7. Send a representative to your Restaurant to provide approximately 5 days of onsite training and assist you with the opening of your Restaurant. (§5.1)

During the operation of your Restaurant, we will:

1. Provide our guidance and recommendations to improve the operation of your Restaurant. (§6.2)
2. Provide periodic training programs, as discussed below under “Training Program”. (§5.2)
3. Maintain a corporate website to promote our brand and a local webpage to promote your Restaurant, as discussed below under “Advertising and Marketing”. (§6.5 & 10.3)
4. Provide you with our suggested retail pricing. (§11.6)

During the operation of your Restaurant, we may, but need not:

1. Conduct periodic field visits to provide onsite consultation, assistance and guidance pertaining to the management and operation of the Restaurant. (§6.3)
2. Administer the Brand Fund, as discussed below under “Advertising and Marketing”. (§10.1)
3. Develop new menu items, retail products, merchandise or other goods or services you may sell. (§6.7)
4. Negotiate purchase agreements with suppliers to obtain favorable pricing. We may also purchase items in bulk and resell them to you at our cost plus shipping and a markup. (§6.6)
5. Host periodic conferences to discuss relevant business and operational issues such as industry changes or new menu offerings, technology or marketing strategies. (§5.5)
6. Create a franchise advisory council, as discussed below under “Advisory Council”. (§12)
7. Provide additional training or assistance you request, as discussed below under “Training Program”. (§5.2)

Training Program (§5)

Initial Training Program

We will provide an initial training program for your initial Restaurant managers and the Managing Owner (you may send other owners to initial training but it is not required). Your Managing Owner may serve as your Restaurant manager. Your Managing Owner and initial managers must successfully complete initial training to our satisfaction before your Restaurant opens. However, there is no specific period of time after signing or before opening that training must be completed.

Initial training includes 5 to 7 days of training at a company-owned Restaurant in Virginia (or any other training location we designate) and 5 days of onsite training at your Restaurant. Onsite training is an informal training program where we monitor your operations and assist you with the opening of your Restaurant.

The format for training may include lectures, interactive role playing, conference calls and/or webinars. We

reserve the right to conduct all (or any portion) of the training program remotely via webinar, conference call or similar means. The training materials consist of the Manual, presentations and online training resources. We do not charge for training materials. We can modify the training program at our discretion based on our subjective assessment of the skills, abilities and prior experience of your Managing Owner and management personnel. We intend to offer initial training on a quarterly basis, assuming sufficient demand. Initial training currently covers the following topics:

TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS ON THE JOB TRAINING	LOCATION
Initial Training – General	5	3	Company-Owned Restaurant (Virginia)
Customer Experience	0	3	Company-Owned Restaurant (Virginia)
Food Safety	4	2	Company-Owned Restaurant (Virginia)
Food Assembly	4	2	Company-Owned Restaurant (Virginia)
Barista Training	4	1	Company-Owned Restaurant (Virginia)
Store Operations Training	8	4	Company-Owned Restaurant (Virginia)
Total	25	15	

Ongoing Training Programs

We may offer refresher or supplemental training courses for your Managing Owner and management personnel. We may designate each course as mandatory or optional. Any new Managing Owner or manager you appoint or hire must successfully complete initial training prior to managing your Restaurant. If we inspect your Restaurant and determine you are not operating in compliance with the Franchise Agreement or Manual, we may require that your Managing Owner and management personnel attend remedial training relevant to the operational deficiencies we observed. You may also request additional training, which we may (but need not) provide.

Instructor

John Martinez is in charge of our training program. Mr. Martinez first became involved with our system in 2021. He currently serves as General Manager at our company-owned Restaurants. He is also responsible for training all new employees hired by our company-owned Restaurants. Mr. Martinez has a total of 4 years of experience in the restaurant industry.

Training Fees and Costs

We provide our preopening initial training program in exchange for the \$5,000 initial training fee. We may charge you a training fee of up to \$300 per person per day for each person who attends: (a) initial training after you open (for new Managing Owner or manager); (b) retraining after failing a prior attempt; (c) remedial training; (d) additional training you request; or (e) refresher or supplemental training. You must also reimburse our Travel Expenses for onsite training or assistance (excluding preopening onsite training). You are responsible for all wages and Travel Expenses that you and your trainees incur for training.

Site Selection (§7.1)

A typical Restaurant ranges in size from 1,200 to 2,200 square feet. We do not select the site for your Restaurant and we do not purchase the premises and lease it to you. You must identify and obtain our approval of the site for your Restaurant within 120 days after signing the Franchise Agreement. We may terminate your Franchise Agreement if you fail to meet this deadline or if we cannot agree on a site.

Your Restaurant must be located within the Site Selection Area identified in Part B of ATTACHMENT "A" to the Franchise Agreement and conform to our minimum site selection criteria. You must send us a complete site report that includes all information we require about your proposed site.

We try to approve or disapprove sites within 15 days after receiving the site report. Our failure to approve a site within the 15-day period constitutes our disapproval. We consider the following factors when reviewing proposed sites:

- parking
- visibility, size, condition and characteristics of the building
- traffic counts and patterns
- general location and character of neighborhood
- existence and location of competitive businesses
- local demographic information

We list the address of your approved site either: (a) in Part C of ATTACHMENT "A" to the Franchise Agreement (if we approve the site before signing the Franchise Agreement); or (b) in a Site Approval Notice we send you after we approve the site (if we approve the site after signing the Franchise Agreement).

We do not help you negotiate your lease.

Site Development (§7.3 & 11.11)

The Manual includes our standards and specifications for the design, layout, equipping and trade dress for a Restaurant. You must hire a licensed and bonded architect to prepare initial design plans for the construction of your Restaurant and leasehold improvements. We must approve the initial design plans to ensure they are consistent with our system standards. Once approved, your architect must prepare detailed construction plans that: (a) are consistent with the approved design plans; (b) satisfy all required standards and specifications in the Manual; and (c) comply with all federal, state and local ordinances, building codes, permits and lease requirements and restrictions applicable to the premises. You must submit the final construction plans to us for approval. Once approved, you must construct and equip your Restaurant according to the approved construction plans and the requirements of the Manual. You must purchase (or lease) and install the Technology Systems, equipment, fixtures, signs and other items we require.

We may require you to periodically remodel and renovate your Restaurant to conform to our then-current standards and specifications. We will not require that you spend more than \$20,000 (subject to CPI adjustment as described in Note 3 of Item 6) on remodeling of your Restaurant during the initial 10-year term. However, there is no limitation on the cost of any remodeling or renovations we may require as a condition to a Transfer or renewal of your franchise rights. You may not remodel or renovate your Restaurant without our prior approval.

Opening Requirements (§7.4)

We expect most franchisees will open 4 to 9 months after signing the Franchise Agreement. Factors that may affect this time include:

- the amount of time needed to find an approved site
- protracted lease negotiations with the landlord
- the amount of time needed to secure financing, insurance, licenses and permits
- the condition of the building and extent of required upgrades, remodeling and renovations
- construction delays due to labor or materials shortages, inclement weather or other reasons
- delayed delivery or installation of equipment and fixtures
- the amount of time needed to comply with zoning requirements and other laws and regulations
- the amount of time needed to complete training
- the amount of time needed to hire and train staff

Advertising and Marketing (§10)

You must participate at your own expense in all advertising, promotional and marketing programs we require. There is currently no franchisee advertising council that advises us on marketing and advertising matters.

Our Advertising Obligations

We have no obligation to conduct advertising for the franchise system. However, we may periodically create advertising and marketing materials for your use. We may: (a) use the Brand Fund to pay for the creation and distribution of these materials, in which case there will be no additional charge; (b) provide online access to these materials, in which case you must print the materials at your expense; or (c) contract with third-party suppliers to create advertising or marketing materials that you may purchase.

Pre-Opening Advertising

You must pay us a \$2,000 Initial Marketing Fee that we use to pay for local social media influencers, digital marketing and mailers to promote the opening of your Restaurant. Alternatively, we reserve the right to require that you contract with a marketing company we designate to design and implement a customized grand opening marketing plan.

Post-Opening Advertising

After opening, you must spend at least 1% of Gross Sales (i.e., your Local Marketing Commitment) on local advertising. You may develop your own advertising and marketing materials and programs but we must approve them prior to use. We must also approve the media you intend to use. You may not use any advertising materials, programs or media that we have not approved.

Websites, Social Media and Digital Advertising

We maintain a corporate website to promote our brand. We will also create and host a local webpage for your Restaurant, which will be linked to our corporate website. The webpage will list information about your Restaurant that we deem appropriate, such as address, hours of operation and contact information. We can modify or discontinue our website and/or your Restaurant's webpage at any time.

Except for the webpage we provide, you may not: (a) develop, host, or otherwise maintain a website (or other digital presence) bearing our Marks; (b) utilize the Internet to conduct digital or online advertising; or (c) engage in ecommerce. However, we do permit you to market your Restaurant through approved social media channels, subject to the following requirements:

- you may only conduct social media utilizing social media platforms we approve
- you must strictly comply with our social media policy, as revised from time to time
- you must immediately remove any post we disapprove
- we may require that you contract with and utilize a social media company we designate
- you must provide us with full administrative rights to your social media accounts
- we must retain ownership of all social media accounts relating to your Restaurant

Gift Card and Loyalty Programs

We may require that you participate in a gift card or other customer loyalty program in accordance with our policies and procedures. In order to participate, you may be required to purchase additional equipment, software and/or Apps and pay fees relating to the use of that equipment, software and/or Apps. We have the right to determine how proceeds from gift card sales are divided or otherwise accounted for and we may retain proceeds from unredeemed gift cards. You must follow all policies we establish for gift card and/or loyalty programs.

Advertising Cooperatives

We may, but need not, establish regional advertising cooperatives for purposes of pooling advertising funds to be used in discrete regions. We will determine the boundaries of the cooperative. In most instances, the boundaries will coincide with zip codes, designated marketing areas or municipal boundaries. We will specify the manner in which the cooperative is organized and governed. We may choose between: (a) administering the cooperative ourselves; or (b) establishing an advertising council, comprised by the cooperative's members, to administer the cooperative. We may require that the cooperative be administered in accordance with written bylaws, organizational documents or other governing documents that we approve. There were no advertising cooperatives in effect as of December 31, 2024.

If your Restaurant is located within a region subject to an advertising cooperative you must: (a) participate in the cooperative according to its rules and procedures and abide by its decisions; and (b) pay a cooperative advertising fee. We may set the minimum cooperative advertising fee or we may allow the cooperative to set the fee based on majority vote of its members. In either case, the cooperative advertising fee will not exceed 1% of Gross Sales. All cooperative advertising fees you pay are credited against your Local Marketing Commitment. Any company-owned Restaurant located in the cooperative will contribute on the same basis as franchisees.

Advertising cooperatives are not required to prepare annual or periodic financial statements. Any financial statements that are prepared will be made available to you upon request. We reserve the right to form, change, merge or terminate advertising cooperatives at any time.

Brand and System Development Fund

We may, but need not, establish a Brand Fund to promote public awareness of our brand and improve our System. We have not yet established a Brand Fund. We may use the Brand Fund to pay for any of the following:

- developing, distributing or administering advertising and marketing materials and programs
- conducting and administering promotions, contests or giveaways
- public and consumer relations and publicity
- brand development
- sponsorships and charitable and nonprofit donations and events
- research and development of technology, products and services
- website development and search engine optimization
- development, maintenance and promotion of an ecommerce platform
- development and implementation of quality control programs
- conducting market research
- reimbursing us for costs we incur to host franchisee conferences
- changes and improvements to the System
- fees and expenses charged by advertising agencies we engage to provide marketing services
- collecting and accounting for brand fund fees and preparing financial accountings of the Brand Fund
- any other programs or activities we deem appropriate to promote or improve the System
- reimbursing us for administrative, overhead and other expenses we incur to administer the Brand Fund, including compensation paid to our personnel for time spent working on Brand Fund matters

We would direct and retain complete control and discretion over all advertising programs paid for by the Brand Fund, including the creative concepts, content, materials, endorsements, frequency, placement and media used. We expect most advertising would be local or regional in coverage (but could transition to national coverage as our footprint expands) and utilize print and digital (e.g., SEO, pay-per-click advertising, etc.) media. The Brand

Fund would not be used to pay for advertisements principally directed at selling additional franchises, although consumer advertising may include notations such as “franchises available” and one or more pages on our website may promote the franchise opportunity.

If we establish the Brand Fund, you must pay a brand fund fee equal to 1% of Gross Sales. Company-owned Restaurants would contribute to the Brand Fund on the same basis as franchisees. However, if we modify the amount or timing of required contributions, any company-owned Restaurant established or acquired after the modification may contribute to the Brand Fund utilizing the modified amount or timing. All monies deposited into the Brand Fund that are not used in the fiscal year in which they accrue would be utilized in a subsequent year. We could invest any surplus of funds and lend money to the Brand Fund to cover any deficit. An unaudited financial accounting of Brand Fund contributions and expenditures would be prepared annually and made available to you upon request. During the fiscal year ended December 31, 2024 we did not collect or spend any monies from the Brand Fund.

The Brand Fund is not a trust. We have no fiduciary obligations or liability to you with respect to our administration of the Brand Fund. Once established, we may discontinue the Brand Fund on 30 days’ notice.

Advisory Council (§12)

We may, but need not, create a franchise advisory council to provide us with suggestions to improve the System, including matters such as marketing, operations or new products or services. We would consider suggestions in good faith, but would not be bound by them. The council would be established and operated according to rules and regulations we periodically approve, including procedures governing the selection of council representatives to communicate with us on matters raised by the council. You would have the right to be a member of the council as long as you comply with your Franchise Agreement and do not act in a disruptive, abusive or counter-productive manner, as determined by us in our discretion. As a member, you would be entitled to all voting rights and privileges granted to other council members. Any company-owned Restaurant would also be a member of the council. Each member would be granted 1 vote on all matters on which members are authorized to vote. We would have the power to form, change or dissolve the advisory council in our discretion.

Computer System (§11.8, 11.9, 11.10, 15.3 & 16.1)

Description of Computer System

You must purchase and use all Technology Systems we designate. We currently require you to purchase a Toast point-of-sale (POS) system with the following hardware (and the subscriptions described further below):

- 1 Toast Flex for Guest with Toast Tap (On Counter), Credit Card Reader, Toast Printer & Cash Drawer
- 1 Toast Flex for Kitchen (22”) with Wall Mount
- 4 Toast Flex for Kitchen (14”) with Wall Mount
- Toast Item Label Printer
- Toast Kitchen Printer
- Meraki Z4 Router
- TP Link 24-Port Switch

We also require you to purchase a separate computer system with the following components:

- 6 iPads
- 1 Laptop
- Chowly Online Ordering Platform
- ADP Online Payroll Platform
- QuickBooks Online Subscription

- 3 Bluetooth Printers

You must acquire and maintain high-speed Internet access in compliance with our minimum standards and specifications. We collectively refer to the POS system and computer system described above as your “computer system”. We may change the required Technology Systems from time to time, including your computer system.

How Computer System Is Used

The computer system will generally be used to: process sales transactions; send customer orders to the kitchen area; facilitate online ordering; facilitate order and delivery through third-party delivery platforms; implement text marketing and other marketing communications; implement our gift card and/or loyalty program; track and manage inventory; process and manage payroll; prepare financial and other reports; perform bookkeeping and accounting functions; review and analyze key performance indicators; and access any Extranet or Intranet we develop (e.g., to access the Manual or any online training modules or advertising templates we provide).

We will provide you with one or more email addresses for use with your Restaurant. You must exclusively use the email address(es) we provide for all communications with us, customers, suppliers and other persons relating to your Restaurant. You may not use them for any purpose unrelated to your Restaurant. We own the email addresses and accounts but allow you to use them during the term of your Franchise Agreement.

Fees and Costs

We estimate the initial cost of your computer and point-of-sale system will range from \$3,700 to \$4,200. The table below identifies the ongoing fees and costs you must pay for the software, technology, Apps, subscriptions and related services (including the software, technology and related services covered by the technology fee). A more detailed breakdown of the fees associated with the POS system is provided further below.

COMPUTER SYSTEM – ONGOING FEES AND COSTS*			
Item	Fee (Monthly)	Fee (Annual)	To Whom Paid?
Website maintenance, email and other technology tools (covered by technology fee)	Up to \$400 Currently \$250	Up to \$4,800 Currently \$3,000	Us
POS System – Required Subscriptions	\$498	\$5,976	Third-Party Licensor
Chowly Online Ordering Platform	\$99	\$1,188	Third-Party Licensor
ADP Payroll Software	\$300 to \$600**	\$3,600 to \$7,200**	Third-Party Licensor
QuickBooks Online	\$70	\$840	Third-Party Licensor

* Fees are subject to change. The fees listed in the table are the fees currently imposed at the time this Disclosure Document was issued.

** The monthly and annual fee for ADP payroll software vary depending on the number of employees.

You must pay Toast an ongoing fee of \$498 per month (\$5,976 per year) for the required subscriptions. The required Toast subscriptions (and associated pricing) are set forth below:

TOAST SUBSCRIPTIONS AND FEES *		
Subscription	Fee (Monthly)	Fee (Annual)
Toast POS Software	\$72	\$864
Toast Marketing Essentials (Gift Card; Loyalty Program; Email Marketing; SMS Marketing Base Subscription-500 Monthly Texts; & SMS Subscription-10,000 Additional Monthly Texts)	\$201	\$2,412
Toast Restaurant Management Essentials (API Subscription & Advanced Restaurant Management)	\$25	\$300
Kitchen Display Screen (for 5 screens)	\$87.50 (\$17.50 per screen)	\$1,050
3 rd Party Delivery Integrations Package (GrubHub, DoorDash & UberEats)	\$60	\$720
Toast Digital Storefront Essentials (Online Ordering; Local by Toast; & Toast Delivery Service)	\$52.50	\$630
TOTAL	\$498	\$5,976

* Toast will serve as your credit card processing company and charge you its then-current credit card processing rates. The fees charged by Toast are subject to change.

Maintenance, Support, Updates and Upgrades

We are not aware of any optional or required maintenance, updating, upgrading or support contracts relating to your computer system. As part of the monthly fee, Toast provides all required maintenance and updates for your POS system software. Any upgrades are billed at Toast's then-current rates. Toast also provides a 2-year warranty on all hardware other than hand-held devices which have a 1-year warranty. In exchange for the monthly fee, the licensors of ADP, QuickBooks and Chowly provide all required maintenance and updates. Except as otherwise disclosed above, neither we nor any other party has any obligation to provide ongoing maintenance, repairs, upgrades or updates to your computer system.

Collection and Sharing of Data

Your computer system will collect sales data, customer data (including names, contact information and purchase history), employee data, inventory management data, financial accounting data and other relevant operational data. We will have independent unlimited access to all data collected by or entered into the POS system and QuickBooks Online. There are no contractual limits imposed on our access to this data. We do not have independent access to the data collected on your back-office computer system. However, we may inspect your back-office computer system and access the data during an inspection.

Computer System Maintenance and Changes

You must maintain the computer system in good condition at your cost. We may require that you upgrade, update or otherwise change your computer system and other Technology Systems to conform to our then-current specifications. However, we will not require you to spend more than \$5,000 (subject to CPI adjustment as described in Note 3 of Item 6) during the initial term for any such updates or upgrades. However, there is no limit to the cost of any upgrades or changes we may require as a condition to a Transfer or renewal of your franchise rights.

ITEM 12 TERRITORY

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 that we control.

Location of Restaurant

The Franchise Agreement grants you the right to operate one Restaurant from a site we approve. You must identify a site for your Restaurant within the Site Selection Area described in your Franchise Agreement.

You may relocate your Restaurant with our prior written approval, which we will not unreasonably withhold. If we allow you to relocate you must: (a) obtain our approval of the new site for your Restaurant within the Site Selection Area (but outside any territory assigned to another Restaurant); (b) comply with our then-current site selection and development requirements; (c) remove trade dress and alter the premises of the closed (i.e., former) Restaurant to eliminate any resemblance to a CHA STREET FOOD™ Restaurant; (d) reimburse any expenses we incur to review new sites you propose and provide pre-opening support for the new Restaurant site; and (e) open your Restaurant at the new site and resume operations within 30 days* after closing your Restaurant at the former site. We may also require that you conduct another pre-opening marketing campaign to promote the opening of your Restaurant at the new site, in which case you must pay us another \$2,000 Initial Marketing Fee.

* If your Restaurant is destroyed, condemned or otherwise rendered unusable due to the physical condition of the premises, you have 13 months to relocate and reopen at the new site.

Description of Territory

We will grant you a territory that includes the geographic area within a prescribed radius from your Restaurant. We will designate a radius (which may range from a minimum of 1 mile to a maximum of 6 miles) that results in a territory with a population of at least 10,000. However, if the population within a 6-mile radius from your Restaurant is less than 10,000, then your territory will only include the geographic area within a 6-mile radius even though the population is less than 10,000. We may use any demographic software, database or other data repository we desire to determine the population within a prescribed radius. The population determination is made at the time we designate your territory. We have no obligation to modify your territory based on population changes during the term of the Franchise Agreement. Upon renewal, we reserve the right to modify the boundaries of your territory in accordance with our then-current territory guidelines and criteria.

Territorial Protections and Limitations

During the term of your Franchise Agreement we will not develop or operate, or license a third party to develop or operate, another Restaurant that uses our Marks and is located in your territory except as otherwise permitted below with respect to Captive Venues and Acquisitions (each defined below).

We reserve the right to develop and operate, and license third parties to develop and operate, Restaurants that are located in Captive Venues, including Captive Venues located within your territory. A “Captive Venue” means a non-traditional outlet for a Restaurant that is located within, or is a part of, another establishment or facility that consumers may visit for a purpose unrelated to the Restaurant. Examples of Captive Venues include Restaurants that are located within:

- hotels or casinos
- college campuses or universities
- airports, train stations, bus stations or cruise terminals
- stadiums or sporting arenas
- shopping malls
- military bases

- concert venues
- amusement parks

We also reserve the right to acquire (or be acquired by) another company or system that sells goods or services the same as or similar to the goods or services sold by Restaurants, and the outlets of the acquired or acquiring company may be converted into CHA STREET FOOD™ outlets even if located in your territory (an “Acquisition”).

Alternative Channels of Distribution

We reserve the right to sell, and license others to sell, competitive or identical goods and services (either under the Marks or different trademarks) through Alternative Channels of Distribution, including within your territory. An “Alternative Channel of Distribution” means any channel of distribution other than retail sales made to customers while present at a Restaurant. Examples of Alternative Channels of Distribution include:

- sales through direct marketing, such as over the Internet or through catalogs or telemarketing
- sales through retail stores that do not operate under the Marks (e.g., grocery stores or convenience stores)
- sales made at wholesale
- sales through catering or delivery service
- sales made from kiosks or food trucks

You are not entitled to any compensation for sales that take place through Alternative Channels of Distribution.

Restrictions on Sales and Marketing Activities

You may advertise within the territories of other franchisees as long as you comply with any extraterritorial advertising policies in the Manual. Similarly, other franchisees may advertise within your territory.

You must comply with any minimum advertised pricing policy that we establish from time to time.

You may provide catering and delivery service within a prescribed delivery area in accordance with our policies and procedures described in the Manual. You may not market or sell using other Alternative Channels of Distribution (such as the Internet, catalog sales, telemarketing or other direct marketing) either inside or outside your territory, without our prior approval. You may promote you Restaurant using social media, subject to the restrictions described in Item 11 under the Section entitled “Websites, Social Media and Digital Advertising”.

There are no other restrictions on your right to solicit customers, whether from inside or outside your territory.

Additional Franchises and Territories

We do not grant options, rights of first refusal or similar rights to acquire additional territories or franchises.

Competing Businesses Under Different Marks

Currently, neither we nor any affiliate of ours intends to operate or franchise another business under a different trademark that sells products or services similar to the products or services offered by a Restaurant. However, we reserve the right to do so in the future.

ITEM 13 TRADEMARKS

Our affiliate Cha Company LLC (“Cha Company”) owns the following Mark that is registered with the United States Patent and Trademark Office (USPTO):

REGISTERED MARKS			
Mark	Registration Number	Registration Date (Last Renewal Date)	Register (Principal or Supplemental)
	6697336	April 12, 2022	Principal

Cha Company also applied to register the following Marks on the Principal Register of the USPTO:

UNREGISTERED MARKS		
Mark	Serial Number (Application Type)	Application Date
	99030629 (application based on actual use)	February 6, 2025
	99030627 (application based on actual use)	February 6, 2025
	99030626 (application based on actual use)	February 6, 2025

We do not have a federal registration for the Marks in the table above labeled Unregistered Marks. Therefore, these Marks do not have many legal benefits and rights as a federally registered trademark. If our right to use any of these Marks is challenged, you may have to change to an alternative trademark, which may increase your expenses.

All required affidavits have been filed and we intend to file all renewals by the required renewal date.

We may change the trademarks you may use from time to time, including by discontinuing use of the Marks listed in Item 13. If this happens, you must change to the new trademark at your expense.

You must notify us immediately if you discover an infringing use (or challenge to your use) of the Marks. We will take the action we deem appropriate. We are not required to take any action if we do not feel it is warranted. You may not control any proceeding or litigation involving our Marks.

The Franchise Agreement does not require that we: (a) protect your right to use the Marks; (b) protect you against claims of infringement or unfair competition arising out of your use of the Marks; or (c) participate in your defense or indemnify you for expenses or damages you incur if you are a party to an administrative or judicial proceeding involving our Marks or if the proceeding is resolved in a manner unfavorable to you.

There are currently no: (a) effective material determinations of the Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of this state or any court; (b) pending infringements, oppositions or cancellations; (c) pending material litigation matters involving any of the Marks; or (d) infringing uses we are aware of that could materially affect your use of the Marks.

On February 10, 2025, we signed an Intellectual Property License Agreement with Cha Company (the “License Agreement”) that grants us the right to use the Marks and sublicense the Marks to our franchisees. The term of the License Agreement automatically renews annually, unless it is terminated in accordance with its terms. Cha Company may terminate the License Agreement only if we: (a) declare bankruptcy or become insolvent; (b) breach Cha Company’s quality control standards and fail to cure within a 60-day cure period; or (c) consent to the termination. If the License Agreement is terminated, it states all sublicenses that we granted to franchisees prior to the termination date will continue in full force and effect until the expiration or termination of the applicable franchise agreement. No other agreements limit our right to use or sublicense use of the Marks.

ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

No patents or pending patent applications are material to the franchise.

Although we have not filed an application for copyright registration for our Manual, website, menus or marketing materials, we do claim a copyright to these items.

During the term of the Franchise Agreement, we allow you to use certain confidential and proprietary information (some of which constitute “trade secrets”) relating to the development, marketing and operation of a Restaurant. Examples may include:

- architectural plans, drawings and specifications for a prototype Restaurant
- site selection criteria
- recipes, methods, techniques, policies, procedures, standards and specifications
- supplier lists and information
- marketing and merchandising strategies
- information about our System

We own all ideas, improvements, inventions, marketing materials and other concepts you develop relating to a Restaurant. We also own all operational and customer data pertaining to your Restaurant. You must treat this data as confidential and proprietary. We license you the right to use this data during the term of your Franchise Agreement. You must comply with all applicable data protection laws and our data processing and data privacy policies in the Manual.

We provide access to our confidential information through the Manual, training programs and other periodic support and guidance. You may use this information solely for purposes of developing, marketing and operating your Restaurant in compliance with the Franchise Agreement and Manual. We consider all information in the Manual to be confidential. You may not disclose our confidential information to anyone other than your employees, on a need-to-know basis, without our prior permission. All your employees and representatives must sign the Confidentiality Agreement attached to the Franchise Agreement as ATTACHMENT "F" before you give them access to our confidential information.

You must promptly notify us if you discover an unauthorized use of our proprietary information or copyrighted materials. We are not required to act, but will respond as we deem appropriate. You may not control any proceeding or litigation involving allegations of unauthorized use of our proprietary information or copyrighted materials. We have no obligation to indemnify you for any expenses or damages arising from any proceeding or litigation involving our proprietary information or copyrighted materials. There are no infringements known to us at this time.

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

Owner Participation

You must designate an owner with overall responsibility for the management and operation of your Restaurant (the “Managing Owner”). The Managing Owner must: (a) be approved by us; (b) successfully complete all

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training programs we require; and (c) at all times hold at least a 20% ownership interest in the franchise unless we waive this requirement. The Managing Owner is not required to provide onsite management of your Restaurant as long as a trained manager is onsite. Any new Managing Owner you appoint must successfully complete our then-current initial training program before assuming responsibility for the supervision, management or operation of the Restaurant.

Except as otherwise provided above with respect to your Managing Owner, we do not require that your owners personally participate in the management or operation of your Business. If you are an entity, each owner (i.e., each person holding a direct or indirect ownership interest in the entity) and the spouse of each owner must sign the Franchise Owner Agreement attached to the Franchise Agreement as ATTACHMENT "D". By signing the Franchise Owner Agreement, the owner (or spouse of the owner) agrees to: (a) comply with all brand protection covenants (except to the extent prohibited by law), covenants that protect our intellectual property and transfer restrictions set forth in the Franchise Agreement; and (b) guarantee the franchisee's financial obligations.

Managers

You may hire managers to assist the Managing Owner with onsite management of the Restaurant. Any person you hire as a manager must: (a) successfully complete all training programs we require; and (b) sign a Confidentiality Agreement. At all times during normal business hours, either the Managing Owner or a trained manager must be present at the Restaurant to provide onsite management and supervision. The Managing Owner must monitor and supervise each manager to ensure the Restaurant is operated in accordance with the Franchise Agreement and Manual. We do not require that your managers own an equity interest in the franchise.

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We must approve all goods and services you sell. You must offer all goods and services we require, including all food, beverage, merchandise, gift cards and other goods and services. You may not sell any goods or services we have disapproved. All menu items must be prepared according to our recipes and preparation instructions, using only the ingredients we specify. You must offer dine-in, take-out, catering and delivery service. You must follow all policies and procedures in the Manual applicable to catering and delivery service. At any time, we may change the goods and services you may sell and you must comply with the change.

ITEM 17 RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

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

THE FRANCHISE RELATIONSHIP		
PROVISION	SECTIONS IN AGREEMENT	SUMMARY
a. Length of franchise term	1 (Definition of "Term") & 4.1	Term is equal to 10 years.
b. Renewal or extension of the term	4.1 & 4.2	If you meet our conditions for renewal, you can enter into an unlimited number of consecutive successor franchise agreements. Each renewal term is 10 years.
c. Requirements for you to renew or extend	4.1 & 4.2	You must: not be in default; give us timely notice; sign then-current form of franchise agreement; sign general release (subject to state law); pay renewal fee; remodel Restaurant and upgrade furniture, fixtures and equipment to current standards; and extend lease for renewal term. If you renew, you may be required to sign a contract with materially different terms and conditions than the original contract.
d. Termination by you	20.1	You can terminate if we default and fail to timely cure.
e. Termination by us without cause	20.3	We can terminate without cause if you provide your written consent.

THE FRANCHISE RELATIONSHIP		
PROVISION	SECTIONS IN AGREEMENT	SUMMARY
f. Termination by us with cause	20.2	We can terminate if you default.
g. "Cause" defined - curable defaults	20.2	You have the following cure periods: (a) 24 hours for health or safety hazards; (b) 10 days for financial defaults; (c) 20 days for loss of a required license or permit; and (d) 30 days for any other default (other than a default described below under "non-curable defaults").
h. "Cause" defined - non-curable defaults	20.2	The following defaults cannot be cured: insolvency, bankruptcy or seizure of assets; failure to successfully complete training; failure to find approved site or open in timely manner; abandonment; conviction of certain crimes or subject of certain administrative actions; violation of material law; commission of act that may adversely affect reputation of System or Marks; material misrepresentations; 2 nd underreporting of Gross Sales by 3% or more; unauthorized Transfers; unauthorized use of our intellectual property; breach of brand protection covenant; breach of Franchise Owner Agreement; failure to notify us of a matter described in §15.6; breach of legal compliance representations; termination of lease due to your default; 3 or more default notices in a 12-month period; or termination of any other agreement between you (or your affiliate) and us (or our affiliate) due to your default.
i. Your obligations on termination/ non-renewal	21.1	Obligations include: remove trade dress and alter premises to eliminate resemblance to a Restaurant; cease use of intellectual property; cancel fictitious names; return Manual and branded materials; assign telephone numbers, listings and domain names; assign customer data and comply with data retention policies; and pay amounts due (also see "r" below).
j. Assignment of contract by us	19.1	No restriction on our right to assign.
k. "Transfer" by you – definition	1 (definition of "Transfer") & 19.2	Includes ownership change or transfer of contract or assets.
l. Our approval of transfer by you	1 (definition of "Permitted Transfer"), 19.2 & 19.3	You may engage in a Permitted Transfer (defined in Note 2 in Item 6) without approval. We must approve other Transfers but will not unreasonably withhold approval.
m. Conditions for our approval of transfer	19.2	Transferee must: meet our qualifications; successfully complete training (or arrange to do so); obtain required licenses and permits; assume your obligations under contracts relating to the Business; sign then-current form of franchise agreement for remainder of term or, at our option, assume your Franchise Agreement; and remodel Restaurant and upgrade furniture, fixtures and equipment to current standards within 1 year of Transfer or such shorter period of time we specify. You must: be in compliance with Franchise Agreement; assign lease (if applicable); pay transfer fee; subordinate transferee's ongoing payments owed to you (if any) to transferee's financial obligations owed to us; and sign general release (subject to state law). We must notify you that we will not exercise our right of first refusal.
n. Our right of first refusal to acquire your business	19.5	We can match any offer for your business.
o. Our option to purchase your business	21.2	We have the option to purchase your Restaurant when your franchise terminates or expires.

THE FRANCHISE RELATIONSHIP		
PROVISION	SECTIONS IN AGREEMENT	SUMMARY
p. Your death or disability	19.4	Within 180 days, interest must be assigned by estate to an assignee in compliance with conditions for other Transfers. We may designate manager to operate the Restaurant prior to Transfer.
q. Non-competition covenants during the term of the franchise	14.3	No involvement in a competing business.
r. Non-competition covenants after the franchise is terminated or expires	14.3 & 21.1	No involvement for 2 years in competing business conducted from your Restaurant, within 15 miles of your Restaurant, or within 15 miles of any other Restaurant that is open or under development when your franchise terminates or expires.
s. Modification of the agreement	24.3 & 24.8	Requires writing signed by both parties (except we may unilaterally change Manual or reduce scope of restrictive covenants). Other modifications to comply with state laws.
t. Integration/merger clause	24.8	Only the terms of the Franchise Agreement and its attachments are binding (subject to state law). Any representations or promises made outside the Disclosure Document and Franchise Agreement may not be enforceable. Nothing in the Franchise Agreement or any related agreements is intended to disclaim any of the representations we made in this Disclosure Document. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (a) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (b) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.
u. Dispute resolution by arbitration or mediation	22	Subject to state law, all disputes must be mediated before litigation, except for certain disputes involving our intellectual property or compliance with restrictive covenants or post-term obligations.
v. Choice of forum	22	Subject to state law, mediation and litigation must take place in the county where we maintain our principal place of business at time dispute arises (currently Fairfax County, Virginia).
w. Choice of law	24.1	Subject to state law, Delaware law governs.

ITEM 18 PUBLIC FIGURES

We do not use any public figures to promote our franchise.

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

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

Defined Terms

For purposes of this FPR, the following terms have the meanings given to them below.

“Company-Owned Outlet” means any Restaurant that is owned by: (a) us; (b) any affiliate of ours; or (c) any person listed in Item 2 of this Disclosure Document if that person is also involved with the management of the Restaurant.

“Converted Outlet” means any Restaurant that either: (a) was a Company-Owned Outlet that was sold to a franchisee at any time during the Measuring Period; or (b) was a Franchised Outlet that we or our affiliate reacquired from the franchisee at any time during the Measuring Period.

“Food Costs” means the costs paid for all ingredients for menu items, expressed as a percentage of Gross Sales.

“FPR” means the financial performance representation set forth in Item 19 of this Disclosure Document.

“Franchised Outlet” means any Restaurant that is owned by a franchisee.

“Gross Sales” means total gross revenue collected from the sale of goods and services by the Restaurant or that otherwise relates to the Restaurant, including advertising revenue, sponsorship fees and business interruption insurance proceeds. Gross Sales excludes: (a) sales or use taxes; (b) customer refunds; (c) revenue from the sale of furniture, fixtures and equipment in the ordinary course; and (d) tips paid to and retained by staff members as a gratuity.

“Labor Costs” means and includes payroll (including employee salaries, hourly wages, bonuses and commissions), payroll benefits, and payroll tax, expressed as a percentage of Gross Sales. Labor Costs excludes compensation and distributions paid to the business owner.

“Measuring Period” means the period of time beginning January 1, 2024 and ending December 31, 2024.

“Qualifying Outlet” means any Company-Owned Outlet or Franchised Outlet that satisfies all of the following criteria: (a) the outlet was open and operating throughout the entire Measuring Period; (b) the outlet provided us with all data we requested to prepare the FPR; (c) the outlet is not a Converted Outlet.

System Statistics

For purposes of this FPR each Restaurant may be referred to as an “outlet”. As of December 31, 2024 (the last day of the Measuring Period), there were: (a) 0 Franchised Outlets in operation; and (b) 2 Company-Owned Outlets in operation, 1 of which is a Qualifying Outlet. The table below summarizes the outlet statistics and the number of Qualifying Outlets:

2024 Outlet Statistics						
Outlet Type	Open Outlets (Jan 1, 2024)	Converted Outlets During 2024	Outlets Opened During 2024	Outlets Closed During 2024	Open Outlets (Dec 31, 2024)	Qualifying Outlets
Franchised	0	0	0	0	0	0
Company-Owned	1	0	1	0	2	1

Because there were no Franchised Outlets in operation throughout the entire Measuring Period, this FPR is limited to data from a Company-Owned Outlet. Of the 2 Company-Owned Outlets open as of the end of the Measuring Period, 1 did not qualify as a “Qualifying Outlet” because it opened in February 2024 and was not open the entire Measuring Period.

The data in this FPR is limited to our Company-Owned Outlet located in Tysons, Virginia that opened in December of 2021. This Restaurant is approximately 1,800 square feet in size. There are no material differences between the operations of the Qualifying Outlet and the franchised business offered under this Disclosure

Document.

Financial Performance Representation

The following table presents the historical Gross Sales achieved, and Food Costs and Labor Costs incurred, by the Qualifying Outlet during the Measuring Year:

Financial Performance Representation – 2024 (1 Company-Owned Restaurant)			
Restaurant	Gross Sales	Food Costs	Labor Costs
Company-Owned Restaurant (Tysons, Virginia)	\$1,764,322	23.6% of Gross Sales	22.6% of Gross Sales

Notes:

1. **Source of Data:** For purposes of preparing this FPR, we obtained: (a) Gross Sales data from the POS system used by the Qualifying Outlet; and (b) data for Food Costs and Labor Costs from QuickBooks (the financial accounting software used by the Qualifying Outlet. The data has not been audited.
2. **Expenses:** The financial performance representation does not reflect operating expenses (other than Food Costs and Labor Costs) or other costs or expenses that must be deducted from Gross Sales to obtain Net Profit or EBITDA. You should conduct an independent investigation of the costs and expenses you will incur in operating your Restaurant. Franchisees or former franchisees (if any), listed in the Franchise Disclosure Document, may be one source of this information.

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

Written substantiation for this financial performance representation will be made available to you upon your reasonable written request.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting our Chief Executive Officer, Suhail Karman, at 2966 Cashel Lane, Vienna, Virginia 22181 or by phone (646) 812-0022, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

TABLE 1 - SYSTEM-WIDE 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	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Company-Owned	2022	1	1	0
	2023	1	1	0
	2024	1	2	+1

TABLE 1 - SYSTEM-WIDE 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
Total Outlets	2022	1	1	0
	2023	1	1	0
	2024	1	2	+1

TABLE 2 - TRANSFERS 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	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
Totals	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 Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Virginia	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	1	0	0	0	2
Totals	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	1	0	0	0	2

TABLE 5 - PROJECTED OPENINGS AS OF DECEMBER 31, 2024			
State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
North Carolina	0	1	0
Washington DC	0	1	0
Total	0	2	0

A list of all current franchisees is attached to this Disclosure Document as EXHIBIT "E" (Part A), including their names and the addresses and telephone numbers of their outlets as of December 31, 2024. In addition,

EXHIBIT "E" (Part B) lists the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

During the last 3 fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experience as a franchisee in our franchise system.

There are no: (a) trademark-specific franchisee organizations associated with the franchise system being offered that we have created, sponsored or endorsed; or (b) independent franchisee organizations that have asked to be included in this Disclosure Document.

ITEM 21 FINANCIAL STATEMENTS

Our fiscal year ends on December 31st. An unaudited opening balance sheet for Cha Franchisor LLC as of February 27, 2025 is attached to this Disclosure Document as EXHIBIT "F". In addition, an unaudited balance sheet as of November 30, 2025 and a profit and loss statement from January 1, 2025 through November 30, 2025 are attached to this Disclosure Document as EXHIBIT "F". Because we have not been in existence for 3 years, we cannot provide all of the financial statements required by the FTC franchise disclosure guidelines. THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

ITEM 22 CONTRACTS

Attached to this Disclosure Document (or the Franchise Agreement attached to this Disclosure Document) are copies of the following franchise and other contracts or agreements proposed for use or in use in this state:

Exhibits to Disclosure Document

EXHIBIT "C"	Franchise Agreement
EXHIBIT "D"-1	State Addenda
EXHIBIT "D"-2	Franchisee Disclosure Questionnaire (Questionnaire may not be signed or used if the franchisee resides within, or the franchised business will be located within, a franchise registration state)
EXHIBIT "D"-3	General Release
EXHIBIT "D"-4	Confidentiality Agreement (for franchise applicants)

Attachments to Franchise Agreement

ATTACHMENT "B"	Form of Site Approval Notice
ATTACHMENT "C"	Lease Addendum
ATTACHMENT "D"	Franchise Owner Agreement
ATTACHMENT "E"	ACH Authorization Form
ATTACHMENT "F"	Confidentiality Agreement

ITEM 23 RECEIPT

EXHIBIT "H" to this Disclosure Document are detachable receipts. You are to sign both, keep one copy and return the other copy to us.

EXHIBIT "A"

TO DISCLOSURE DOCUMENT

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

<u>CALIFORNIA</u> Commissioner of Financial Protection & Innovation Department of Financial Protection & Innovation 320 West 4th Street, #750 Los Angeles, CA 90013 (213) 576-7500 1-866-275-2677 <u>HAWAII</u> Commissioner of Securities of the State of Hawaii 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722 <u>Agents for Service of Process:</u> Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722 <u>ILLINOIS</u> Illinois Attorney General Chief, Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465 <u>INDIANA</u> Secretary of State Securities Division Room E-018 302 West Washington Street Indianapolis, IN 46204 (317) 232-6681	<u>MARYLAND</u> Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202 (410) 576-6360 <u>Agent for Service of Process:</u> Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 <u>MICHIGAN</u> Franchise Section Consumer Protection Division 525 W. Ottawa Street, G. Mennen Williams Building, 1st Floor Lansing, MI 48913 (517) 335-7567 <u>MINNESOTA</u> Commissioner of Commerce Director of Registration 85 Seventh Place East, #280 St. Paul, Minnesota 55101-3165 (651) 539-1500 <u>NEW YORK</u> NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 Phone: (212) 416-8222 <u>Agents for Service of Process:</u> Secretary of State 99 Washington Avenue Albany, NY 12231 <u>NORTH DAKOTA</u> North Dakota Securities Department State Capitol, 5th Floor, Dept 414 600 East Boulevard Avenue Bismarck, North Dakota 58505 (701) 328-4712	<u>RHODE ISLAND</u> Department of Franchise Regulation 1511 Pontiac Avenue, John O. Pastore Complex, Bldg 69-1 Cranston, Rhode Island 02920 (401) 462-9527 <u>SOUTH DAKOTA</u> Department of Labor and Regulation Division of Insurance Securities Regulation 124 S Euclid, 2nd Floor Pierre, South Dakota 57501 (605) 773-3563 <u>VIRGINIA</u> State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051 <u>Agents for Service of Process:</u> Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 <u>WASHINGTON</u> Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, WA 98501 (360) 902-8760 <u>Mailing Address:</u> Department of Financial Institutions Securities Division PO BOX 41200 Olympia, WA 98504-1200 <u>WISCONSIN</u> Department of Financial Institutions Division of Securities 201 W Washington Avenue, Suite 500, Madison, WI 53703 (608) 261-9555
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EXHIBIT "B"

TO DISCLOSURE DOCUMENT

FRANCHISOR'S AGENT FOR SERVICE OF PROCESS

Registered Agent, Inc.
8 The Green Suite A
Dover, Delaware 19901

In states listed in EXHIBIT "A", the additional agent for Service of Process is listed in EXHIBIT "A".

EXHIBIT "C"
TO DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

[See Attached]



FRANCHISE AGREEMENT

FRANCHISEE: _____
DATE: _____

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ATTACHMENTS

ATTACHMENT "A"	Deal Terms
ATTACHMENT "B"	Form of Site Approval Notice
ATTACHMENT "C"	Lease Addendum
ATTACHMENT "D"	Franchise Owner Agreement
ATTACHMENT "E"	ACH Authorization Form
ATTACHMENT "F"	Confidentiality Agreement

CHA STREET FOOD FRANCHISE AGREEMENT

This Cha Street Food Franchise Agreement (this “Agreement”) is entered into as of _____, 202__ (the “Effective Date”) between Cha Franchisor LLC, a Delaware limited liability company (“we” or “us”) and _____, a(n) _____ (“you”).

1. DEFINITIONS. Capitalized terms not defined above have the meanings given to them below:

“Account” means the checking account you designate from which we deduct fees and other amounts owed to us and our affiliates in accordance with §13.5.

“ACH Agreement” means the ACH Authorization Agreement attached as ATTACHMENT "E", which authorizes us to electronically debit your Account for amounts owed to us and our affiliates.

“Acquisition” means either: (a) a competitive or non-competitive company, franchise system, network or chain directly or indirectly acquiring us, whether in whole or in part, including by asset or stock purchase, change of control, merger, affiliation or otherwise; or (b) us, or our affiliate or parent, directly or indirectly acquiring another competitive or non-competitive company, franchise system, network or chain, whether in whole or in part, including by asset or stock purchase, change of control, merger, affiliation or otherwise.

“Acquired Assets” means any assets associated with your Restaurant that we elect to purchase upon termination or expiration of this Agreement, as further described in §21.2(a).

“Alternative Channels of Distribution” means any channel of distribution other than retail sales made to customers while present at a Restaurant, including, but not limited to:

- (a) sales through direct marketing, such as over the Internet or through catalogs or telemarketing;
- (b) sales through retail stores that do not operate under the Marks, such as grocery stores or convenience stores;
- (c) sales made at wholesale;
- (d) sales through catering or delivery service; and
- (e) sales made from kiosks or food trucks.

“Anti-Terrorism Law” means Executive Order 13224 issued by the President of the United States of America (or any successor Order), the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act) of 2001 (or any successor legislation) and all other present and future federal, state and local Laws, ordinances, regulations, policies, lists, orders and any other requirements of any Governmental Authority addressing or in any way relating to terrorist acts and acts of war.

“Appraised Value” means the fair market value of the Acquired Assets as determined by independent appraisers in accordance with §21.2(b).

“Business” means the franchised business you operate pursuant to this Agreement.

“Business Data” means, collectively or individually, Customer Data and Operational Data.

“Captive Venue” means a non-traditional outlet for a Restaurant that is located within, or is a part of, another establishment or facility that consumers may visit for a purpose unrelated to the Restaurant. Examples of Captive Venues include Restaurants that are located within hotels, casinos, college campuses, universities, airports, train stations, bus stations, cruise terminals, stadiums, sporting arenas, shopping malls, military bases, concert venues, amusement parks or similar types of establishments.

“Claim” means any action, allegation, assessment, claim, demand, litigation, proceeding or regulatory procedure, investigation or inquiry.

“Competing Business” means any business that meets at least one of the following criteria: (a) any quick-service restaurant that generates, or is reasonably likely to generate, at least 25% of its total revenue (excluding revenue from the sale of beverages, merchandise or retail items) from the sale of menu items consisting of Pakistani or Indian cuisine; (b) any business that solicits, offers or sells franchises or licenses

for a business that meets the criteria in clause (a) of this definition; and/or (c) any business that services, trains, supports, consults with, advises or otherwise assists any Person with respect to the development, management and/or operation of a business that meets the criteria in clause (a) of this definition. A Competing Business does not include any CHA STREET FOOD™ restaurant operated pursuant to a valid franchise agreement or license agreement with us or our affiliate.

“Confidential Information” means and includes: (a) Know-How; (b) Business Data; (c) information in the Manual or comprising the System; (d) terms of Definitive Agreements and any amendments thereto; and (e) all other concepts, ideas, trade secrets, financial information, marketing strategies, expansion strategies, studies, supplier information, customer information, franchisee information, investor information, flow charts, inventions, mask works, improvements, discoveries, standards, specifications, formulae, recipes, designs, sketches, drawings, policies, processes, procedures, methodologies and techniques, together with analyses, compilations, studies or other documents that are: (i) designated as confidential; (ii) known by you to be considered confidential by us; and/or (iii) reasonably to be considered confidential due to their nature. Confidential Information does not include information that: (a) is now, or subsequently becomes, generally available to the public (except as a result of a breach of confidentiality obligations by you or your Owners, employees or other constituents); (b) you can demonstrate was rightfully possessed by you or an Owner, without obligation of nondisclosure, before we disclosed the information to you or the Owner; (c) is independently developed by you or an Owner without any use of, or reference to, any Confidential Information; or (d) is rightfully obtained from a third party who has the right to transfer or disclose the information to you or an Owner without breaching a confidentiality covenant imposed on such third party.

“Confidentiality Agreement” means the Confidentiality Agreement that must be signed by certain of your employees pursuant to §14.5, the current form of which is attached as ATTACHMENT "F".

“Copyrighted Materials” means all copyrightable materials for which we or our affiliate secure common law or registered copyright protection and that we allow franchisees to use, sell or display in connection with the marketing and/or operation of a Restaurant.

“Customer Data” means and includes all data and information pertaining to a customer including name, address, contact information, date of birth, purchase history and any other information collected in connection with a loyalty or membership program or for any other purpose.

“Definitive Agreements” means, collectively: (a) this Agreement; (b) any other Franchise Agreement between you (or your affiliate) and us (or our affiliate) for a Restaurant or any other franchised concept; and (c) all ancillary agreements executed in connection with the foregoing, including Franchise Owner Agreements.

“Dispute” means any Claim, dispute or disagreement between the parties, including any matter pertaining to: (a) the interpretation or enforcement of this Agreement; (b) the offer or sale of the franchise; or (c) the relationship between the parties.

“Entity” means a corporation, partnership, limited liability company or other form of association.

“Equity Interest” means a direct or indirect ownership or beneficial interest in the capital stock of, partnership or membership interest in, or other equity, ownership or beneficial interest in a business or Entity (including voting rights).

“Excluded Claim” means any Claim that, according to §22, is not subject to mandatory mediation.

“Force Majeure” means acts or circumstances that are beyond a party’s control, including fire, storm, flood, earthquake, explosion or accident, acts of war or terrorism, rebellion, insurrection, sabotage, epidemic, failures or delays of transportation and strikes, provided that: (a) the non-performing party promptly provides written notice to the other party of the Force Majeure event; (b) the non-performing party is without fault and the delay or failure could not have been prevented by reasonable precautions by the non-performing party; (c) nothing herein shall excuse or permit any delay or failure to pay fees or other amounts owed on the applicable due date; (d) insolvency, lack of required funds or financing, currency fluctuations, currency devaluations, foreign exchange controls or inflation shall never be deemed Force Majeure; and (e) an epidemic or pandemic of a contagious illness or disease, or economic or financial changes caused by an epidemic or pandemic of a contagious illness or disease, shall never be deemed Force

Majeure except to the extent a Governmental Authority mandates closure (or prevents the opening) of the Restaurant as a result of such epidemic or pandemic.

“Franchise Owner Agreement” means the Franchise Owner Agreement that must be signed by the Owners and their spouses pursuant to §9, the current form of which is attached as ATTACHMENT "D".

“Franchisee Entity” means an Entity that: (a) signs this Agreement as the franchisee (if this Agreement is signed by an Entity); or (b) assumes this Agreement subsequent to its execution by the original Owners.

“General Release” means our then-current form of Waiver and Release of Claims you and your Owners must sign pursuant to §4.2 in connection with a franchise renewal or §19.2 in connection with a Transfer.

“Government Official” means any: (a) officer or employee of a Governmental Authority; (b) commercial or similar entity owned or controlled by a Governmental Authority, including state-owned and state-operated companies or enterprises; (c) public international organization (e.g., United Nations, World Bank); (d) political party or official thereof; or (e) candidate for political office.

“Governmental Authority” means any national, provincial, state, county, local, municipal or other government, or any ministry, department, agency or subdivision thereof, whether administrative or regulatory, or any other body that exercises similar functions, including a court or taxing authority.

“Gross Sales” means the total gross sums generated from all goods and services sold from or in connection with your Restaurant, together with all other revenue and monies derived in connection with your Restaurant, including advertising revenue, sponsorship fees and business interruption insurance proceeds. Gross Sales excludes: (a) sales or use taxes you pay to a Governmental Authority; (b) revenue you collect from a customer and later refund to that customer in a bona fide refund transaction; (c) revenue derived from the sale of furniture, fixtures or equipment in the ordinary course; and (d) tips paid to and retained by staff members as a gratuity. The Manual may include policies governing the calculation of Gross Sales relating to: (a) proceeds from the sale of gift cards; and/or (b) qualifying purchases and redemptions by members under a loyalty program.

“Improvement” means any idea, addition, modification or improvement to the (a) goods or services offered or sold at a Restaurant, including, without limitation, any new or modified recipes or menu items, (b) method of operation of a Restaurant, (c) processes, systems or procedures utilized by a Restaurant, (d) marketing, advertising or promotional materials, programs or strategies utilized by a Restaurant or (e) trademarks, service marks, logos or other intellectual property utilized by a Restaurant, whether developed by you, an Owner, an employee or any other Person.

“Indemnified Parties” means and includes us and each of our past, present and future owners, members, officers, directors, employees and agents, as well as our parents, subsidiaries and affiliates, and each of their past, present and future owners, members, officers, directors, employees and agents.

“Intellectual Property” means, collectively or individually, the Business Data, Copyrighted Materials, Improvements, Know-how, Marks and System.

“Interim Manager” means a Person we designate to temporarily manage your Restaurant under the circumstances described in §8.4.

“Interim Term” means a month-to-month Term extension under the circumstances described in §4.3.

“IP Dispute” means any: (a) actual or suspected infringement of the Intellectual Property; (b) challenge to your use of the Intellectual Property; or (c) claim by any Person, other than us or our affiliate, of any rights in or to the Intellectual Property.

“Know-how” means and includes our (and our affiliates’) trade secrets and other proprietary information relating to the design, construction, development, marketing or operation of a Restaurant including, but not limited to: architectural plans, drawings and specifications for a prototype Restaurant; site selection criteria; recipes; methods and techniques; standards and specifications; policies and procedures; supplier lists and information; marketing strategies; merchandising strategies; and information comprising the System or included in the Manual.

“Law” means and includes all laws, judgments, decrees, orders, rules, regulations, ordinances, advisory

opinions or official legal interpretations of any Governmental Authority.

“Local Marketing Commitment” means the minimum amount of money you must spend each month on local advertising and marketing to promote your Restaurant in accordance with §10.3(b).

“Losses and Expenses” means and includes any of the following: compensatory, exemplary and punitive damages; fines and penalties; attorneys’ fees; experts’ fees; court costs; Travel Expenses and other costs associated with investigating and defending a Claim; settlement amounts; judgments; damage to reputation or goodwill; and all other costs, damages, liabilities and expenses associated with any of the foregoing losses and expenses or otherwise incurred by an Indemnified Party.

“Managing Owner” means the Owner you designate and we approve with primary responsibility for the overall management and supervision of your Restaurant in accordance with §8.1.

“Manual” means our Brand Standards Manual described in §11.2 for the operation of a Restaurant.

“Marks” means and includes all service marks, trademarks, trade names and logos that we designate from time to time and authorize Restaurants to use, including CHA STREET FOOD™ and the associated logos. The Marks also include any distinctive trade dress used to identify a Restaurant or the products it sells.

“Operational Data” means and includes all data and information pertaining to the operation of your Business including employee data, expense data, financial accounting data and Gross Sales data.

“Owner” means a Person who either: (a) directly signs this Agreement as the franchisee, either alone or in conjunction with one or more other Persons; or (b) directly or indirectly through one or more intermediaries owns an Equity Interest in the Business or Franchisee Entity.

“PCI-DSS” means the payment card industry data security standard, which is a set of security requirements established by the following major credit card brands from time to time: American Express, Discover Financial Services, JCB International, MasterCard Worldwide, and Visa Inc., which standards are set forth at <https://www.pcisecuritystandards.org> as of the Effective Date.

“Permitted Transfer” means a Transfer: (a) between existing Owners, unless the Transfer results in the Managing Owner owning less than 20% of the Equity Interests in the Business or Franchisee Entity; or (b) by the Owners to a new Franchisee Entity for which such Owners collectively own and control 100% of the Equity Interests.

“Person” means an individual, Entity, unincorporated organization, joint venture, Governmental Authority, estate (or executor thereof) or trust (or trustee thereof).

“Post-Term Restricted Period” means, with respect to you: the two-year period after the termination, expiration or Transfer of this Agreement; *provided, however*, that if a court of competent jurisdiction determines the two-year period is too long to be enforceable then Post-Term Restricted Period means: the one-year period after the termination, expiration or Transfer of this Agreement.

“Post-Term Restricted Period” means, with respect to an Owner: the two-year period after the earlier to occur of: (a) the termination, expiration or Transfer of this Agreement; or (b) the date on which the Owner no longer owns an Equity Interest in the Business or Franchisee Entity; *provided, however*, that if a court of competent jurisdiction determines the two-year period is too long to be enforceable then Post-Term Restricted Period means: the one-year period after the earlier to occur of: (a) the termination, expiration or Transfer of this Agreement; or (b) the date on which the Owner no longer owns an Equity Interest in the Business or Franchisee Entity.

“Program Participation Rules” means the policies, procedures, fees and other requirements pertaining to any gift card, loyalty, membership or other system-wide program we implement pursuant to §11.12.

“Prohibited Activities” means and includes any of the following: (a) owning, operating or having any other interest (e.g., as a director, officer, employee, manager, consultant, creditor, representative, agent or in any similar capacity) in a Competing Business, other than owning less than 5% of the Equity Interests in a Competing Business that is a publicly-traded company; (b) disparaging or otherwise making negative comments about us, our affiliate, the System or any Restaurant (this provision shall not prohibit the disclosure of truthful information to Governmental Authorities or to other franchisees); (c) diverting or

attempting to divert any business from us, our affiliate or another franchisee; and/or (d) inducing any Person to transfer their business from a Restaurant to a competitor.

“Reportable Event” means any event or occurrence described in §15.6 that you must report to us.

“Restaurant” means any restaurant we authorize to operate under the Marks and use our System.

“Restricted Territory” means: the geographic area within: (a) a 15-mile radius from your Restaurant (including your Restaurant’s premises); and (b) a 15-mile radius from all other Restaurants that are operating or under construction when the Post-Term Restricted Period begins; *provided, however*, that if a court of competent jurisdiction determines the foregoing Restricted Territory is too broad to be enforceable then Restricted Territory means: the geographic area within a 10-mile radius from your Restaurant (including your Restaurant’s premises).

“Site Approval Notice” means the Site Approval Notice attached as ATTACHMENT "B" that we may issue to you pursuant to §3.2 and §7.1 to identify your Territory and the approved site for your Restaurant.

“Site Selection Area” means the geographic area described in Part B of ATTACHMENT "A" and within which you must find a site we approve for your Restaurant.

“Successor Agreement” means our then-current form of Franchise Agreement you must sign pursuant to §4.2 in connection with a renewal of your franchise rights.

“System” means our system developed for the operation of a Restaurant, the distinctive characteristics of which include: distinctive interior and exterior design, décor, signage, color scheme and other trade dress elements; proprietary spices and mixes; comprehensive training programs; advertising and marketing strategies; merchandising strategies; and operating system.

“Technology Systems” means and includes all information and communication technology systems we specify from time to time, including, without limitation, computer systems, point-of-sale systems, online ordering systems, webcam systems, telecommunications systems, security systems, music systems and similar systems, together with the associated hardware, software (including cloud-based software) and related equipment, software applications, mobile apps, and third-party services relating to the establishment, use, maintenance, monitoring, security or improvement of these systems.

“Term” means the period of time beginning on the Effective Date and expiring on the earlier to occur of: (a) the 10th anniversary of the Effective Date; or (b) the date this Agreement is effectively terminated.

“Territory” means the protected territory for your Restaurant, as further described in §3.

“Transfer” means any direct or indirect, voluntary or involuntary, assignment, sale, conveyance, subdivision, sublicense or other transfer or disposition of:

- (a) this Agreement (or any interest therein);
- (b) the franchise or intellectual property rights granted by this Agreement (or any interest therein);
- (c) the Business you conduct pursuant to this Agreement (or any interest therein);
- (d) your Business assets, excluding the sale of furniture, fixtures or equipment in the ordinary course; or
- (e) an Equity Interest in the Business or Franchisee Entity;

including by: merger or consolidation; judicial award, order or decree; issuance of additional Equity Interests (including public and private offerings); foreclosure of a security interest by a lender; or operation of Law, will or a trust upon an Owner’s death (including via the Laws of intestate succession).

“Travel Expenses” means and includes all travel, meals, lodging, local transportation and other living expenses incurred: (a) by us and our trainers, field support personnel, auditors or other representatives to visit your Restaurant; or (b) by you and your personnel to attend training programs or conferences.

- 2. GRANT OF FRANCHISE.** We hereby grant you the right, license and obligation to own and operate one (1) Restaurant using our Intellectual Property from the site we approve. As a franchisee, you will develop and operate a quick-service restaurant that offers high-quality Pakistani street food and other designated or approved menu items under the Marks. We reserve all rights not expressly granted to you.

3. TERRITORY.

- 3.1. **Territory Description.** We will grant you a territory (your “Territory”) defined to include the geographic area within a prescribed radius from the approved site for your Restaurant. We will determine the radius, which may range from a minimum of one (1) mile to a maximum of six (6) miles. We will determine the specific radius to include an area with a population of at least 10,000; *provided, however*, that if the population within a six (6) mile radius from your Restaurant is less than 10,000, then your Territory will only include the geographic area within the six (6) mile radius even though the population is less than 10,000. We may use data from any source we deem appropriate to determine the population within an area. We do not modify your Territory based on population changes during the Term. Upon renewal, we reserve the right to modify your Territory in accordance with our then-current territory guidelines and criteria.
- 3.2. **Territory Designation.** If we approve the site for your Restaurant before signing this Agreement, we will describe your Territory in Part D of ATTACHMENT "A". Otherwise, we will describe your Territory in the Site Approval Notice we send to you within 15 days after we approve your site pursuant to §7.1. Within five (5) business days after we send you the Site Approval Notice, you must sign and date the franchisee acknowledgment section and send us a copy for our records. Our approval of the site and designation of your Territory is immediately effective and binding on you at the time we issue the Site Approval Notice even if you do not send us a signed acknowledgment.
- 3.3. **Territorial Protections.** During the Term we will not develop or operate, or license a third party to develop or operate, a Restaurant that is located in the Territory except as otherwise provided in this Section with respect to Captive Venues and Acquisitions. At any time during the Term we reserve the right to: (a) develop and operate, and license third parties to develop and operate, Restaurants within Captive Venues that are located in your Territory; and (b) engage in Acquisitions that involve, or subsequently result in, conversion of the acquired or acquiring company’s outlets to CHA STREET FOOD™ outlets, even if those outlets are located in your Territory. We reserve the right to sell, and license third parties to sell, competitive or identical goods and services (including under the Marks) within the Territory through Alternative Channels of Distribution.

4. TERM AND RENEWAL.

- 4.1. **Generally.** This Agreement grants you the right to operate your Restaurant during the Term. You may renew your franchise rights by signing a Successor Agreement for an additional 10-year renewal term. There is no limit on the maximum number of Successor Agreements you may sign. However, you may only sign a Successor Agreement if you satisfy all renewal conditions specified in this Agreement or in the applicable Successor Agreement you wish to renew, as applicable. Each Successor Agreement will be the current form of franchise agreement we use to grant franchises as of the expiration of the Term or renewal term, as applicable, the terms of which may vary materially and substantially from the terms of this Agreement. If this Agreement is a Successor Agreement, the Term of this Agreement and your remaining renewal rights, if any, shall be governed by your original franchise agreement.
- 4.2. **Renewal Requirements.** In order to renew, you and the Owners (as applicable) must:
- (a) notify us in writing of your desire to enter into a Successor Agreement not less than 240 days nor more than one (1) year before the expiration of the Term or renewal term, as applicable;
 - (b) not be in default under any Definitive Agreement at the time you send the renewal notice or sign the Successor Agreement;
 - (c) sign the Successor Agreement and all ancillary documents we require franchisees to sign;
 - (d) sign a General Release;
 - (e) pay us a \$10,000 renewal fee;

- (f) remodel the Restaurant and upgrade all furniture, fixtures and equipment to conform to our then-current standards and specifications; and
- (g) extend the term of your lease for the duration of the renewal term.

If we elect not to renew or offer you the right to renew, we will send you a written notice of non-renewal at least 180 days prior to the expiration date, which shall set forth the basis for our decision. If you have any objection to our notice of non-renewal, including a dispute as to the basis for our decision, you must send us a written notice of objection that sets forth the basis for your objection. Your notice of objection must be sent to us no later than 30 days after you receive our notice of non-renewal. Your failure to send us a written notice of objection during such 30-day period shall constitute your agreement to the non-renewal of your franchise. Our failure to send you a notice of non-renewal at least 180 days prior to the expiration date shall constitute our offer to renew your franchise in accordance with, and subject to, the renewal terms and conditions set forth above.

- 4.3. **Interim Term.** If you do not sign a Successor Agreement but continue to operate your Restaurant after the Term expires, we may either treat this Agreement as: (a) expired as of the Term expiration date with you operating in violation of our rights; or (b) continued on a month-to-month basis (the “Interim Term”) until either party provides the other party with 30 days’ prior written notice of termination of the Interim Term. All your obligations remain in full force and effect during the Interim Term, if applicable, as if this Agreement had not expired, and all obligations imposed on you upon expiration of the Term will take effect upon termination of the Interim Term.

5. TRAINING AND CONFERENCES

- 5.1. **Pre-Opening Training.** Your Managing Owner and initial Restaurant manager(s), if applicable, must successfully complete our initial training program before your Restaurant opens. Any new Managing Owner or manager you appoint or hire after we conduct our preopening initial training program must successfully complete our then-current initial training program before assuming responsibility for the management of your Restaurant. As part of initial training, we send a representative to your Restaurant for approximately five (5) days to provide onsite training and assist you with the opening of your Restaurant.
- 5.2. **Post-Opening Training.** We may offer periodic refresher or supplemental training courses for your Managing Owner and manager(s). We may designate each course as mandatory or optional. If we determine your Restaurant is not being operated in full compliance with this Agreement or the Manual, we may require that your Managing Owner and manager(s) attend remedial training relevant to your operational deficiencies. We may, but need not, provide additional assistance or training requested by you at a mutually convenient time.
- 5.3. **Training Locations.** Our training programs may take place at any location we designate. We reserve the right to conduct training programs virtually.
- 5.4. **Training Fees and Expenses.** We provide our preopening initial training program in exchange for the \$5,000 initial training fee due upon execution of this Agreement. We may charge a training fee of up to \$300 per Person per day for any Person who attends: (a) initial training after your Restaurant opens; (b) retraining (after failing a prior attempt); (c) remedial training; (d) additional training you request; or (e) refresher or supplemental training. If we provide onsite training or assistance, you must also reimburse us for all Travel Expenses we incur (this reimbursement obligation does not apply to any pre-opening onsite training we provide as part of our initial training program). You are responsible for all wages and Travel Expenses you and your personnel incur to attend training.
- 5.5. **Conferences.** We may hold periodic conferences to discuss business and operational matters relevant to Restaurants. Attendance is mandatory unless: (a) we designate attendance as optional; or (b) we waive your obligation to attend based on showing of good cause. We may charge you a conference registration fee of up to \$500 per Person per conference. You are still responsible for the

conference registration fee if you fail to attend a required conference without a waiver. You are also responsible for wages and Travel Expenses you and your personnel incur to attend conferences.

6. OTHER FRANCHISOR ASSISTANCE.

- 6.1. Manual.** We provide you with access to our Manual during the Term. The Manual will help you develop and operate your Restaurant. The information in the Manual is confidential and proprietary and may not be disclosed to third parties without our prior approval.
- 6.2. General Guidance.** We will periodically review and evaluate your Restaurant, and reports you submit to us, and provide our guidance and recommendations on ways to improve the operation of your Restaurant. We will be available to render advice, discuss problems and offer general guidance to you during normal business hours by phone, email or other means of communication.
- 6.3. Field Visits.** We have the right, but not the obligation, to conduct periodic field visits for purposes of providing onsite consultation, assistance and guidance pertaining to the operation and management of your Restaurant. We will provide a report detailing any problems or concerns observed during the field visit together with our instructions to address or resolve them. You must implement all mandatory corrective measures in the time and manner we specify.
- 6.4. Marketing Assistance.** As further described in §10.1 and §10.2, we will administer the brand and system development fund and provide other marketing assistance during the Term.
- 6.5. Website.** We currently maintain a corporate website for our brand. We will also create and host a webpage for your Restaurant that will: (a) be linked to our corporate website; and (b) list information about your Restaurant we deem appropriate, such as address, business hours and contact information. We control all content on your Restaurant's webpage but will consider your suggestions in good faith. We will own your Restaurant's webpage and domain name at all times. We may change or discontinue our website and/or your Restaurant's webpage at any time.
- 6.6. Purchase Agreements.** We may, but need not, negotiate purchase agreements with suppliers to obtain discounted prices for franchisees. We will arrange for you to be able to purchase the goods or services directly from the supplier at the discounted prices we negotiate (subject to any rebates the supplier pays to us). We may also purchase goods from suppliers in bulk and resell them to you at our cost plus shipping fees and a markup.
- 6.7. New Developments.** We may, but need not, create new menu items, retail products, merchandise or other goods or services for sale at your Restaurant. You must comply with any minimum inventory stocking requirements in the Manual applicable to retail items offered for sale at your Restaurant.

7. ESTABLISHING YOUR BUSINESS

- 7.1. Site Selection.** You must identify and obtain our approval of the site for your Restaurant within 120 days after the Effective Date. The site must be located within the Site Selection Area and conform to our minimum site selection criteria. You must send us a complete site report that includes all documents, information, photos and video we require. We may accept or reject sites you propose in our commercially reasonable judgment. We try to notify you of our decision within 15 days after we receive all requisite materials. Your site is deemed disapproved if we do not issue our approval within the 15-day period. If we approve the site for your Restaurant before signing this Agreement, we will list the address in Part C of ATTACHMENT "A". Otherwise, we list the address of your approved site in the Site Approval Notice. Our approval of a site is not a representation or warranty of any kind, express or implied, of the suitability of the site for a Restaurant. It only means we believe the site meets our minimum criteria.
- 7.2. Lease.** If you lease the Restaurant premises, you must use best efforts to ensure your landlord signs the Lease Addendum attached to this Agreement as ATTACHMENT "C". If your landlord refuses to sign the prescribed form of Lease Addendum we may either: (a) waive the Lease Addendum requirement (or the provisions disapproved by the landlord); or (b) require you to find a new site for

your Restaurant. We must review and approve the lease before you sign it. The scope of our review is limited to ensuring the lease terms are consistent with our brand standards. We make no representation as to the reasonableness or desirability of the commercial terms of your lease. You must promptly send us an executed copy of your lease and Lease Addendum for our records.

- 7.3. Construction.** The Manual includes our standards and specifications for the design, layout, equipping and trade dress for a Restaurant. You must hire a licensed and bonded architect to prepare initial design plans for the construction of your Restaurant and leasehold improvements. We must approve the initial design plans to ensure they are consistent with our system standards. Once approved, your architect must prepare detailed construction plans that: (a) are consistent with the approved design plans; (b) satisfy all required standards and specifications in the Manual; and (c) comply with all Laws (including the Americans with Disabilities Act), building codes, permits and lease requirements and restrictions applicable to the premises. You must submit the final construction plans to us for approval. The limited purpose of our review is to verify the construction plans are consistent with our system standards. Once approved, you must, at your sole expense, construct and equip the premises according to the approved construction plans and the specifications in the Manual. You must also purchase (or lease) and install all equipment, fixtures, signs and other items we require. We may require you to obtain our approval of the architect and contractors you use to design and construct your Restaurant. At all times during the construction process, you must maintain the minimum general liability and property damage insurance required by the Manual.
- 7.4. Opening.** You must open your Restaurant to the public within 13 months after the Effective Date. You must send us a written notice identifying your proposed opening date at least 30 days before opening. We may conduct a preopening inspection (either in-person or virtual) of your Restaurant. If we conduct a virtual inspection, you must facilitate the virtual inspection in accordance with our instructions. You must make all changes and modifications we require before you open. You may not open your Restaurant prior to receipt of our written authorization to open. We will not issue our authorization to open before:
- (a) the Managing Owner successfully completes our initial training program;
 - (b) you secure all required licenses, permits and approvals from Governmental Authorities;
 - (c) you purchase all required insurance policies and provide us with evidence of coverage;
 - (d) we evaluate and approve the construction, build-out and layout of your Restaurant; and
 - (e) you fulfill all of your other preopening obligations under this Agreement and the Manual.
- 7.5. Relocation.** You may relocate your Restaurant with our prior approval, which we will not unreasonably withhold. If we allow you to relocate you must: (a) locate your new Restaurant within the Site Selection Area (but outside any territory assigned to another Restaurant); (b) comply with §7.1 through §7.4 with respect to your new Restaurant (excluding the 13-month opening period); (c) deidentify your former Restaurant in accordance with §21.1(h); (d) reimburse all expenses we incur to review new sites you propose and provide pre-opening support for the new Restaurant; and (e) open your Restaurant at the new site and resume operations within 30 days after closing your Restaurant at the former site; *provided, however*, that if you relocate because your Restaurant is destroyed, condemned or otherwise rendered unusable due to the physical condition of the premises, then you have 13 months after closing to reopen at the new site. We may require you to conduct another pre-opening marketing campaign in accordance with §10.3(a) (and pay us another \$2,000 pre-opening marketing fee) to promote the opening of your Restaurant at the new site.

8. MANAGEMENT AND STAFFING.

- 8.1. Owner Participation.** You must designate an Owner with overall responsibility for the management and operation of your Restaurant (the “Managing Owner”). The Managing Owner must: (a) be approved by us; (b) successfully complete all training programs we require; (c) provide onsite

management and supervision during normal business hours unless a trained manager is onsite; and (d) at all times own at least 20% of the Equity Interests in the Business or Franchisee Entity, unless we waive this requirement. Any new Managing Owner you appoint must successfully complete our then-current initial training program before assuming responsibility for the supervision, management or operation of the Restaurant.

8.2. Managers. You may hire managers to provide onsite management of the Restaurant. Any Person you hire as a manager must: (a) successfully complete all training programs we require; and (b) sign a Confidentiality Agreement. At all times during normal business hours, either the Managing Owner or a trained manager must be onsite at your Restaurant. The Managing Owner must supervise each manager to ensure the Restaurant is operated in accordance with this Agreement and the Manual.

8.3. Employees. You must determine appropriate staffing levels for the Restaurant to ensure full compliance with this Agreement and our system standards. You will hire, train and supervise employees to assist you with the proper operation of the Restaurant. You must pay all wages, commissions, fringe benefits, worker's compensation premiums and payroll taxes (and other withholdings required by Law) due for your employees. These employees will be employees of yours and not of ours. We do not control the day-to-day activities of your employees or the manner in which they perform their assigned tasks. You must inform your employees that you exclusively supervise their activities and dictate the manner in which they perform their assigned tasks. In this regard, you must use your legal business Entity name (not our Marks or a fictitious name) on all employee applications, paystubs, pay checks, employment agreements, time cards, and similar items. We also do not control the hiring or firing of your employees. You have sole authority and responsibility for all employment-related decisions, including hiring, promotion, hours worked, rates of pay, benefits, work assignments, training and working conditions. We do not provide guidance or advice on these matters. You must ensure each employee signs the acknowledgment form we prescribe that explains the nature of the franchise relationship and notifies the employee that you are his or her sole employer. You must also post a conspicuous notice for employees in the back-of-house area explaining your franchise relationship with us and that you (and not we) are the employee's sole employer. We may prescribe the form and content of this notice.

8.4. Interim Manager. We may, but need not, designate a Person (an "Interim Manager") to manage your Restaurant if either: (a) you fail to appoint an approved replacement Managing Owner, who has successfully completed all training we require, within 30 days after your Managing Owner ceases to perform the responsibilities of a Managing Owner for any reason; or (b) you fail to cure a material breach before the expiration of the cure period. The Interim Manager will cease to manage your Restaurant at such time that you appoint an approved replacement Managing Owner who has completed training or you cure the material breach, as applicable. If we appoint an Interim Manager, you agree to: (a) pay us a management fee equal to \$300 per day during the period of time that the Interim Manager manages your Restaurant; and (b) reimburse us for all Travel Expenses incurred by the Interim Manager. The Interim Manager has no liability to you except for gross negligence or willful misconduct. We have no liability to you for an Interim Manager's actions unless we are grossly negligent in appointing the Interim Manager.

9. FRANCHISEE ENTITY. You represent that Part A of ATTACHMENT "A" includes a complete and accurate list of your Owners. Upon request, you must send us a resolution of the Franchisee Entity authorizing the execution of this Agreement, a copy of the Franchisee Entity's organizational documents and a current Certificate of Good Standing. Each Owner of the Franchisee Entity, and the spouse of each Owner who is a natural Person, must sign a Franchise Owner Agreement.

10. ADVERTISING & MARKETING.

10.1. Brand Fund. Upon 30 days' prior notice, we may (but need) establish and commence administering a brand and system development fund to promote public awareness of our brand and improve our System. After the brand fund is established, you must pay us a brand fund fee in the amount we

specify (not to exceed 1% of Gross Sales) on each royalty fee due date. We would also deposit any noncompliance fees we collect into the fund. We may use the fund to pay for any of the following:

- (a) developing, administering or directing advertising and marketing materials and programs;
- (b) conducting and administering promotions, contests or giveaways;
- (c) public and consumer relations and publicity;
- (d) brand development;
- (e) sponsorships and charitable and non-profit donations and events;
- (f) research and development of technology, products and services;
- (g) website development and search engine optimization;
- (h) development, maintenance and promotion of an ecommerce platform;
- (i) development and implementation of quality control programs and customer satisfaction surveys;
- (j) conducting market research;
- (k) changes and improvements to the System;
- (l) reimbursing us for costs we incur to host franchisee conferences;
- (m) fees and expenses charged by advertising agencies we engage to provide marketing services;
- (n) collecting and accounting for brand fund fees and preparing financial accountings of the fund;
- (o) any other programs or activities we deem appropriate to promote or improve the System; and
- (p) direct or indirect labor, administrative, overhead and other expenses incurred by us and/or our affiliates relating to any of these activities, including salary, benefits and other compensation of any of our (and any of our affiliate's) officers, employees or independent contractors based on time spent working on any brand fund matters described above.

We have sole discretion in determining the content, concepts, materials, media, endorsements, frequency, placement, location and all other matters pertaining to marketing or advertising activities. Any surplus in the fund may be invested and we may lend money to the fund if there is a deficit. The fund is not a trust and we have no fiduciary obligations to you with respect to our administration of the fund. We will prepare, and make available to you upon request, an annual statement of fund operations, including deposits and disbursements. In terms of marketing activities paid for by the fund, we do not ensure that: (a) expenditures in (or affecting) a given geographic area are proportionate or equivalent to the brand fund fees paid by franchisees in that geographic area; or (b) franchisees benefit directly or in proportion to their brand fund fees. We may suspend or discontinue the fund at any time upon 30 days' prior notice.

10.2. Marketing Assistance From Us. We will provide reasonable marketing consulting, guidance and support throughout the Term on an as-needed basis. We may, but need not, create advertising and other marketing materials for your use. We may: (a) use the brand fund to pay for the creation and distribution of these materials, in which case there will be no additional charge; (b) provide online access to these materials, in which case you must print the materials at your expense; and/or (c) contract with third-party suppliers to create and sell these materials to you.

10.3. Your Marketing Activities.

- (a) Pre-Opening Marketing. You must pay us a \$2,000 pre-opening marketing fee upon execution of this Agreement. We use this fee to pay for local social media influencers, digital marketing and mailers to promote the opening of your Restaurant. If this Agreement is terminated before

your Restaurant opens, we will promptly refund to you any portion of the pre-opening marketing fee that had not been spent. The pre-opening marketing fee is not refundable under any other circumstances.

- (b) Post-Opening Marketing. You must participate at your own expense in all advertising and marketing programs we require, including any advertising cooperative we establish pursuant to §10.4. You must offer all promotional deals we require. After opening, you must spend at least 1% of monthly Gross Sales (your “Local Marketing Commitment”) on local advertising to promote your Restaurant. We measure your compliance with this requirement on a rolling six-month basis, meaning as long as your average monthly expenditure on local advertising over the six-month period equals or exceeds 1% of Gross Sales, you are deemed in compliance even if your expenditure in a given month is less than 1% of Gross Sales. Brand fund fees are in addition to, and not credited towards, your Local Marketing Commitment.
- (c) Advertising Standards. All advertisements and promotions you create or use must be completely factual, conform to the highest standards of ethical advertising and comply with all Laws. You must ensure your advertisements and promotional materials do not infringe upon the intellectual property rights of others. You must comply any policies we establish from time to time governing: (a) minimum advertised pricing; or (b) a franchisee’s right to engage in marketing or advertising outside of the franchisee’s territory.
- (d) Approval of Advertising. Prior to use, we must approve all advertising and marketing programs and materials you intend to use, including all materials we did not prepare or previously approve, or that we prepare or approve and you modify. We must also approve the media you use. You may not use any advertising materials, programs or media that we have not approved or that we approve and later disapprove. We have 15 days to review and approve or disapprove advertising and marketing materials and programs you submit. Our failure to approve them within the 15-day period constitutes our disapproval. Any advertising you propose and we approve is an “Improvement” for purposes of §17.5.
- (e) Social Media. You may promote your Restaurant using social media provided that: (i) you only utilize social media platforms we approve; (ii) you strictly comply with our social media policy; (iii) you immediately remove any post we disapprove; (iv) if we so request, you contract with and utilize a social media company we designate; (v) we retain full administrative rights to your social media accounts; and (vi) we own all social media accounts relating to your Restaurant.
- (f) Internet and Websites. Without our prior approval, which we may withhold in our sole discretion, you may not: (i) develop, host, or otherwise maintain a website (or other digital presence) that references our Marks; (ii) conduct digital or online advertising or marketing; or (iii) engage in ecommerce.

10.4. Advertising Cooperative. We may, but need not, establish regional advertising cooperatives for purposes of creating and/or purchasing advertising programs for the benefit of all Restaurants located in the region. We may: (a) determine the boundaries of the cooperative; (b) specify the manner in which the cooperative is organized and governed; (c) require the cooperative to be administered in accordance with written bylaws, organizational documents or other governing documents that we approve; and (d) require you to participate in the cooperative according to its rules and procedures and abide by its decisions. You must pay a cooperative advertising fee on each royalty fee due date or such other date specified by the cooperative. We may set the minimum cooperative advertising fee or we may allow the cooperative to set the cooperative advertising fee based on majority vote of its members. In either case, the fee will not exceed 1% of Gross Sales. We may either: (a) collect cooperative advertising fees and remit them to the cooperative; or (b) require you to pay these fees directly to the cooperative. Cooperative advertising fees are credited towards your Local Marketing Commitment. We may form, change, merge or dissolve advertising cooperatives in our discretion.

11. OPERATING STANDARDS.

11.1. Generally. You must operate your Restaurant in full compliance with this Agreement, the Manual and our standards in order to maintain the goodwill associated with the Marks.

11.2. Brand Standards Manual. You must develop and operate your Restaurant in strict compliance with the Manual. The Manual may contain, among other things:

- (a) architectural plans and specifications for the design, dimensions, layout, equipping and trade dress for a prototype Restaurant;
- (b) a list of (i) goods and services (or specifications for goods and services) you must purchase to develop and operate your Restaurant and (ii) designated and approved suppliers;
- (c) a description of the menu items, beverages, merchandise, retail items and other goods and services that we authorize for sale from your Restaurant;
- (d) recipes, specifications, techniques, methods, operating procedures and quality standards; and
- (e) policies and procedures pertaining to: (i) reporting and data entry; (ii) accounting and bookkeeping; (iii) insurance; (iv) marketing and advertising; (v) gift card and loyalty programs; (vi) catering and/or delivery service; (vii) data ownership, use, transfer and protection; and (viii) any other matters we deem appropriate.

The Manual is designed to establish and protect our brand standards and the uniformity and quality of the goods and services offered by Restaurants. We can modify the Manual at any time. Modifications are binding at the time we notify you of the change, subject to any “grace period” we provide to implement the change. All mandatory provisions in the Manual (whether included now or in the future) are binding on you. The Manual may consist of written text as well as videos, tutorials, training modules, recordings and/or other means of communication.

11.3. Authorized Goods and Services. You must offer all goods and services we require from time to time in our commercially reasonable discretion. You may not offer any other goods or services without our prior approval. You may not use your Restaurant, or permit your Restaurant to be used, for any purpose other than offering the goods and services we authorize. We may change authorized goods and services at any time and you must comply with our instructions regarding same. Any such change shall not constitute a termination of this Agreement.

11.4. Preparation of Menu Items. All menu items and food products must be prepared by properly trained personnel and strictly in accordance with our recipes, techniques and processes (including the handling and storage of both ingredients and fully prepared menu items). These requirements are integral to the System and necessary in order to: (a) ensure all menu items prepared at your Restaurant meet our high standards for health and wellness, taste, texture, appearance and freshness; and (b) protect the goodwill associated with our Marks. Your failure to adhere to these requirements will be detrimental to the System and the Marks.

11.5. Sales Restrictions. You may only sell to retail customers while they are present at the Restaurant; *provided, however*, that you must offer catering and delivery service in compliance with all associated policies and procedures in the Manual, including use of designated third-party delivery service providers, pricing policies and restrictions on catering/delivery service areas. You may not contract with any delivery service provider without our prior approval. Unless you receive our prior approval, you may not: (a) offer or sell food, beverage, merchandise or other goods or services from any location other than your Restaurant’s premises or via approved catering or delivery service; (b) produce, sell or provide food, beverage, merchandise or other goods or services through any other channel of distribution, including through ghost kitchens or ecommerce sites; (c) sell food, beverage, merchandise or other goods or services to any Person for purposes of resale; or (d) use, or allow any other Person to use, the kitchen in your Restaurant as a ghost kitchen (or in any similar capacity) to prepare menu items for other brands or culinary concepts.

- 11.6. Pricing.** We will provide you with our suggested retail pricing. You may deviate from our suggested retail pricing at your discretion.
- 11.7. Customer Payments.** You must, at your expense, lease or purchase the necessary equipment and/or software and have arrangements in place with Visa, MasterCard, American Express and all other credit card issuers we designate, in order for you to be able to accept such methods of payment from customers. You must accept debit cards, credit cards, stored value cards, and other non-cash systems (including, for example, Apple Pay and/or Google Wallet) that we specify. You must acquire and install all necessary hardware and/or software used in connection with these non-cash systems.
- 11.8. Suppliers and Purchasing.**
- (a) Generally. You must purchase, lease or license, as applicable, all goods, services and other items required by the Manual. You must only purchase goods and services that satisfy all standards and specifications we designate. You must comply with all sourcing and supplier restrictions we impose from time to time.
 - (b) System Suppliers. In accordance with the Manual, you must purchase certain goods and services exclusively from suppliers we designate or approve. The Manual may designate us or our affiliate as a designated or approved supplier. We and our affiliates may generate a profit from these purchases. We are currently the exclusive designated supplier for our proprietary mixes and spices. Our right to specify the suppliers you use is necessary so we can control the uniformity and quality of goods and services used, sold or distributed in connection with the development and operation of Restaurants, protect our trade secrets, negotiate bulk purchase discounts and protect the reputation and goodwill associated with our System and Marks. If we notify you a system supplier is no longer approved, you must immediately discontinue purchasing from that supplier.
 - (c) Approval Process. If you wish to purchase goods or services from an alternative supplier or you wish to purchase an alternative product, you must send us a request for approval that: (i) identifies the proposed supplier and the product to be purchased; (ii) includes all information we require about the product and supplier (including the supplier's qualifications, reputation, financial strength and production capabilities); and (iii) includes samples of the proposed product for examination and testing purposes. We may condition our approval on the supplier's agreement to comply with our minimum insurance, indemnification and confidentiality requirements for system suppliers. We will approve or disapprove your request within 30 days after we receive your request and all information and samples we require. Your request is deemed disapproved if we fail to issue our approval within the 30-day period. You must reimburse us for all costs and expenses we incur to review suppliers or products you propose (not to exceed \$2,000 per review). We need not consider alternative suppliers for proprietary products or products branded with our Marks.
 - (d) Payment Disputes. You understand that: (i) your failure to timely pay a system supplier may jeopardize the supplier's relationship with us and other franchisees; and (ii) the supplier's termination of its relationship with us or refusal to supply goods or services to our franchisees may cause significant harm to us and our franchisees. Accordingly, you agree to promptly pay all amounts owed to system suppliers except as otherwise permitted by this Section. If you have a bona-fide dispute with a supplier that you believe justifies non-payment or partial payment, you must promptly notify the supplier of the particulars of your Claim and diligently pursue resolution of the Claim or prosecution of appropriate legal action. Any trade debt that remains unpaid more than 30 days after its due date constitutes a material breach of this Agreement unless, before the end of the 30-day period, you: (i) come to an agreement with the supplier for alternative payment terms; or (ii) initiate appropriate legal action to contest the trade debt.
 - (e) Supplier Payments. We may receive rebates, benefits and other consideration from suppliers based on your purchases, leases or licenses. We may retain these payments as compensation and

reimbursement for time and expenses we incur to negotiate and manage supplier relationships. We have no obligation to pass them through to you or use them for any particular purpose (except as otherwise agreed to by us and a supplier).

- (f) **Disclaimer of Liability.** Provided that we designate or approve system suppliers in good faith, we shall have no liability to you for their acts, errors or omissions including, without limitation, defective or tainted goods, delayed delivery or inability to meet demand. With respect to goods purchased from us or our affiliate, you acknowledge that we or our affiliate purchase the goods from third-party manufacturers or suppliers and resell them to you as a convenience. If you have any type of Claim relating to the purchase of goods or services from a system supplier, your sole recourse shall be against the supplier. If we or our affiliate are the supplier, your sole recourse shall be against the manufacturer or supplier from whom we or our affiliate acquired the goods unless both: (i) the Claim arises from our (or our affiliate's) failure to supply the goods in breach of our obligations under this Agreement; and (ii) our (or our affiliate's) failure to supply the goods is not caused by a Force Majeure event. **WE AND OUR AFFILIATES MAKE NO WARRANTIES OR REPRESENTATIONS, AND TO THE FULLEST EXTENT PERMITTED BY LAW EXPRESSLY DISCLAIM ALL WARRANTIES AND REPRESENTATIONS, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, REGARDING GOODS OR SERVICES YOU PURCHASE FROM SYSTEM SUPPLIERS.**

11.9. Equipment Maintenance and Changes. You must maintain your equipment in good condition and promptly replace or repair any equipment that is damaged, worn-out or obsolete. We may require that you change your equipment. Our right to require significant equipment changes is critical to our ability to administer and change the System and you must comply with these changes within the time period we reasonably specify, subject to the \$5,000 cap set forth in §11.10(a) for required updates or upgrades to your computer or point-of-sale system.

11.10. Technology Systems.

- (a) **Generally.** You must acquire and utilize all Technology Systems we require from time to time. Technology Systems may relate to matters such as purchasing, pricing, accounting, order entry, inventory control, security, information storage, retrieval and transmission, customer information, customer loyalty, marketing, communications, copying, printing and scanning, or any other business purpose we deem appropriate. We may require that you acquire new or substitute Technology Systems and/or replace, upgrade or update existing Technology Systems at your expense upon reasonable prior notice. We will not require you to spend more than \$5,000 during the Term to update or upgrade your computer or point-of-sale system. However, there is no limit to the cost of the updates or upgrades we may require as a condition to renewal of your franchise rights. You are solely responsible for: (i) the acquisition, operation, maintenance, updating and upgrading of your Technology Systems; (ii) the manner in which your Technology Systems integrate and interface with our computer system and those of third parties; and (iii) any consequences resulting from improper use or operation, or failure to properly maintain, update or upgrade, Technology Systems.
- (b) **Use and Access.** You must utilize your Technology Systems in accordance with the Manual and comply with all associated data entry policies. You may not load or permit any unauthorized programs or games on your Technology Systems. You must ensure your employees are adequately trained in the use of the Technology Systems. You agree to take all steps necessary to provide us with independent and unlimited access to data collected through your Technology Systems, including Gross Sales data for purposes of calculating fees owed. Upon request, including upon termination or expiration of this Agreement, you must provide us with the user IDs and passwords for your Technology Systems.
- (c) **Disruptions.** You are solely responsible for protecting against computer viruses, bugs, power disruptions, communication line disruptions, internet access failures, internet content failures,

date-related problems and attacks by unauthorized Persons. Upon request, you must obtain and maintain cyber insurance and business interruption insurance for technology disruptions.

- (d) **Third-Party Technology.** You understand and agree that we and our affiliates: (i) do not own certain Technology Systems, or components thereof, that you must use in operating your Restaurant (“Third-Party Technology”); and (ii) have no liability to you for any losses, damages or expenses you incur as result of Third-Party Technology not properly functioning. You hereby: (i) waive any and all Claims against us or our affiliates relating to Third-Party Technology; and (ii) acknowledge your sole recourse for any liabilities, losses, damages or expenses you incur due to improperly functioning Third-Party Technology shall be against the owner or licensor of such Third-Party Technology.
- (e) **Email Accounts.** We will provide you with CHA STREET FOOD™ email addresses. The cost is covered by the technology fee described in §11.10(f) below. You must exclusively use these email addresses for all communications with us, customers, suppliers and other Persons relating to your Restaurant. You may not use them for any purpose unrelated to your Restaurant. We own the email addresses and accounts but allow you to use them during the Term.
- (f) **Fees and Costs.** You are responsible for all fees, costs and expenses associated with acquiring, licensing, utilizing, updating and upgrading the Technology Systems. Certain Technology Systems must be purchased or licensed from third-party suppliers. We and/or our affiliate may develop proprietary Technology Systems (or components thereof) that become part of our System. If this occurs, you agree to: (i) pay us (or our affiliate) commercially reasonable licensing, support and maintenance fees; and (ii) upon request, enter into a license agreement with us (or our affiliate) in a form we prescribe governing your use of the proprietary Technology Systems (or components thereof). We may enter into master agreements with licensors of Third-Party Technology and charge you for all amounts we pay them based on your use of their Third-Party Technology. The “technology fee” includes all amounts you pay us and/or our affiliates relating to Technology Systems, including amounts paid for proprietary items and amounts we collect from you and remit to suppliers of Third-Party Technology. The technology fee may change (not to exceed \$400 per month during the Term) based on changes to Technology Systems or prices charged by third-party suppliers with whom we enter into master agreements. We may include within the technology fee a reasonable administrative fee to compensate us for the time, money and resources we invest to administer the technology platform and associated components, negotiate and manage contracts with third-party licensors, and collect and remit technology fees owed to third-party licensors on behalf of franchisees under master license arrangements. The technology fee does not include amounts you pay directly to third-party suppliers. The technology fee is due 10 days after invoicing or as we otherwise specify. We list the current technology fee in the Manual.

11.11. Remodeling and Maintenance. We may periodically require you to remodel and renovate your Restaurant to conform to our then-current standards and specifications. We will not require you to spend more than \$20,000 on remodeling and renovations of your Restaurant during the Term. However, there is no limit to the cost of remodeling and renovations we may require as a condition to renewal of your franchise rights. You may not remodel or renovate your Restaurant without our prior approval. We will not approve any remodeling or renovations that conflict with our then-current standards and specifications. You must maintain your Restaurant in good order and condition, reasonable wear and tear excepted, and make all necessary repairs, including replacements, renewals and alterations, at your sole expense, to conform to our standards and specifications. Without limiting the generality of the foregoing, you agree to take the following actions at your expense: (a) thorough cleaning, repainting, redecorating of the interior and exterior of the Restaurant’s premises at the intervals we prescribe (or at such earlier times that such actions are required or advisable); and (b) interior and exterior repair of the Restaurant’s premises as needed. You must comply with any maintenance, cleaning or facility upkeep schedule we prescribe.

11.12. System Programs.

- (a) Generally. We may periodically develop and implement loyalty, gift card and other system-wide programs. You must fully participate in all programs we designate as mandatory. In order to participate you must: (i) comply with all policies and procedures we establish for program participation; (ii) purchase or license and utilize all equipment, software, mobile applications, technology and others items we designate as being necessary for program participation and pay all associated fees and costs; and (iii) pay us, our affiliate, or a third party we designate, all program fees, contributions or other amounts we require for program participation (collectively, “Program Participation Rules”). Program Participation Rules may be set forth in the Manual. We may change Program Participation Rules at any time and you must comply with the change. We may develop and implement new or successor programs and/or modify or terminate existing programs at any time.
- (b) Loyalty Program. You must fully participate and implement all required customer loyalty, rewards and other affinity programs designed to increase customer loyalty, generate new customers or improve overall demand for Restaurants.
- (c) Gift Card Program. You must participate in any gift card program we establish and honor all gift cards, even if purchased from us or another Restaurant. You may not sell gift cards we have not approved. We have the right to: (i) determine how gift card proceeds are divided or otherwise accounted for; (ii) require that gift card proceeds be paid to us or deposited into a trust account we control for subsequent disbursement to the Restaurant(s) where the gift card is redeemed; and (iii) retain proceeds from unredeemed gift cards.

11.13. Hours of Operation. The Restaurant must be open for business during the minimum days and hours of operation set forth in the Manual, subject to any conflicting requirements in your lease or imposed by Law. You must establish specific days and hours of operation and submit them to us for approval.

11.14. Standards of Service and Professionalism. You must treat your employees and customers, and our staff, with honesty and respect. You and your staff must provide prompt, courteous, friendly and efficient service to all customers and ensure all interactions with customers are conducted in a professional and ethical manner. If you receive a customer complaint, you must follow the complaint resolution process we specify to protect the goodwill associated with the Marks.

11.15. Quality Assurance Programs. For quality control purposes we may periodically: (a) inspect your Restaurant in accordance with §6.3 and §16.1; and/or (b) hire mystery shoppers or quality assurance firms to inspect your Restaurant. Inspections may address a variety of issues, including customer service, food safety, sanitation, inventory rotation, etc. You must fully cooperate with all inspections. We may require that you directly pay any mystery shopper or firm we hire for the cost of the inspection. Alternatively, we may pay for the cost of the inspection, in which case you must reimburse us. We may implement a scoring system pursuant to which each Restaurant receives a “grade” or “score” based on inspection results. Failure to achieve a passing grade or score constitutes a default under this Agreement. You must implement all corrective measures we require within the time period we specify to rectify any noncompliance issues revealed by an inspection.

11.16. Failure to Comply with Standards. You acknowledge the importance of every one of our standards and operating procedures to the reputation and integrity of the System and goodwill associated with the Marks. If we notify you of a breach of our standards or operating procedures (including failure to submit required reports in a timely manner) and you fail to cure within the time period we prescribe, we may (in addition to our other remedies under this Agreement) impose a noncompliance fee of \$150 per occurrence. We may impose a separate \$150 fee every 48 hours the same noncompliance issue remains uncured after we impose the initial fee. Any noncompliance fees we collect are paid in consideration of us refraining from exercising our contractual right to terminate this Agreement. If you fail to cure a breach before the expiration of the cure period (if any) and we take steps to cure the breach (for example, obtaining required insurance coverage on your behalf or paying amounts you owe to system suppliers), then you must reimburse us for all costs and expenses we directly or indirectly incur in connection with our efforts to cure the default. Our acceptance of noncompliance

fees and default expense reimbursements shall not be construed as a waiver of any of our rights or remedies under this Agreement and we retain the right to terminate this Agreement in accordance with §20.2 if the default continues after we collect these amounts.

- 12. FRANCHISE ADVISORY COUNCIL.** We may, but need not, create a franchise advisory council (FAC) to provide us with suggestions to improve the System, including matters such as marketing, operations and new product or service suggestions. We consider all suggestions in good faith but are not bound by them. The FAC would be established and operated according to rules and regulations we periodically approve, including procedures governing the selection of FAC representatives to communicate with us on matters raised by the FAC. You would have the right to be an FAC member as long as you comply with this Agreement and do not act in a disruptive, abusive or counter-productive manner. As a member, you would be entitled to all voting rights and privileges granted to other FAC members. Each member would have one vote on all matters on which members are authorized to vote.

13. FEES

- 13.1. Initial Franchise Fee.** You agree to pay us a \$35,000 initial franchise fee in one lump sum at the time you sign this Agreement. The initial franchise fee is fully earned by us and nonrefundable once this Agreement is signed.
- 13.2. Royalty Fee.** On the day we designate from time to time (the “royalty fee due date”) you must pay us a royalty fee equal to 6% of Gross Sales generated during the immediately preceding reporting period. The current reporting period runs from the opening of business on the first (1st) day of each month through the close of business on the last day of each month. The current royalty fee due date is the first (1st) Tuesday immediately following the end of the prior reporting period. We may periodically change the reporting period and royalty fee due date through updates to the Manual.
- 13.3. Other Fees and Payments.** You must pay all other fees, expense reimbursements and other amounts specified in this Agreement in a timely manner as if fully set forth in §13. You also agree to promptly pay us an amount equal to all taxes levied or assessed against us based on goods or services you sell or goods or services we furnish to you, excluding income taxes imposed on us based on fees you pay us under this Agreement.
- 13.4. Due Date & Late Fee.** Payments are due 10 days after invoicing unless otherwise specified. If any sum due under this Agreement has not been received by us when due or there are insufficient funds in your Account to cover the sum when due, then in addition to this sum you must pay us \$100 plus default interest on the amount past due at a rate equal to the lesser of 18% per annum (pro-rated on a daily basis) or the highest rate permitted by applicable Law. We will not impose a late fee for any amount paid pursuant to §13.5 if, but only to the extent that, sufficient funds were available in your Account to be applied towards the payment when due; *provided, however*, that if we are unable to determine the amount due to your failure to record sales or submit Gross Sales reports in a timely manner, we may assess a late fee on the entire amount that was due. This §13.4 shall not constitute our agreement to accept late payments or extend credit to you.
- 13.5. Method of Payment.** No later than 15 days after the Effective Date, you must send us a completed and executed ACH Agreement authorizing us to electronically debit your designated Account for all amounts owed to us and our affiliates on the applicable due date, excluding any amounts due less than 15 days after the Effective Date. You must sign all other documents required by us or your bank to enable us to debit your Account for amounts owed. You must deposit all Gross Sales into the Account and ensure sufficient funds are available for withdrawal before each payment due date. If there are insufficient funds in your Account, any excess amounts you owe will be payable upon demand together with any late fee imposed pursuant to §13.4. For each instance where (a) there are insufficient funds in your Account to cover amounts owed when due or (b) a check you issue to us is returned due to insufficient funds, we may impose (in addition to any applicable late fee) an NSF fee equal to the lesser of: (1) the greater of \$50 or 5% of the past due amount; or (2) the maximum NSF fee permitted by applicable Law.

13.6. CPI Adjustments. We may periodically adjust all fees (including minimum fees) expressed as a fixed dollar amount based on changes to the Consumer Price Index in the United States (CPI). We may periodically review and increase these fees based on CPI changes, but only if the then-current CPI ("Current CPI") is more than 5% higher than the corresponding CPI in effect on: (a) the Effective Date of this Agreement (for the initial fee adjustment); or (b) the date we implemented the last fee adjustment (for subsequent fee adjustments) ("Baseline CPI"). The adjusted fee shall be calculated by multiplying the current fee by the sum of one (1) plus a fraction: (a) the numerator of which is Current CPI minus Baseline CPI; and (b) the denominator of which is Baseline CPI. We may utilize any CPI index series published by the U.S. Department of Labor or any comparable Governmental Authority that we deem appropriate. We currently use the following index: All Urban Wage Earners and Clerical Workers (CPI-W), U.S. City Average (1982-84 = 100), "All Items". We will notify you of any CPI adjustment at least 60 days before it becomes effective. We may implement no more than one (1) fee adjustment during any five (5) year period. If we decline to exercise our right to increase fees in a given five (5) year period despite a 5% or greater CPI increase, that potential fee increase will accumulate and may be carried forward and applied in connection with a subsequent fee adjustment. We also reserve the right to adjust the expenditure caps set forth in §11.10(a) (for updates or upgrades to your computer or point-of-sale system) and §11.11 (for remodeling and renovations) at the same time, and in the same manner, as we adjust fees based on CPI increases in accordance with this Section.

14. BRAND PROTECTION COVENANTS.

- 14.1. Reason for Covenants.** The Intellectual Property, training and assistance we provide would not be acquired except through implementation of this Agreement. You agree that competition by you, the Owners or Persons associated with you or the Owners (including family members) could seriously jeopardize our franchise system because you and the Owners received an advantage through knowledge of our day-to-day operations and Know-how. You and the Owners agree to comply with the covenants in §14 to protect the Intellectual Property and our franchise system.
- 14.2. Intellectual Property and Confidential Information.** You and the Owners agree to: (a) refrain from using any Intellectual Property or Confidential Information in any business or for any purpose other than the operation of your Restaurant pursuant to this Agreement; (b) maintain the confidentiality of all Confidential Information at all times; (c) refrain from making unauthorized copies of documents containing Confidential Information; (d) take all steps we reasonably require to prevent unauthorized use or disclosure of Confidential Information; and (e) stop using the Intellectual Property and Confidential Information immediately upon the expiration, termination or Transfer of this Agreement (any Owner who ceases to be an Owner before the expiration, termination or Transfer of this Agreement must stop using the Intellectual Property and Confidential Information immediately at the time he or she ceases to be an Owner).
- 14.3. Unfair Competition.** You and the Owners may not engage in any Prohibited Activities during the Term or Post-Term Restricted Period. Notwithstanding the foregoing, you and the Owners may have an interest in a Competing Business during the Post-Term Restricted Period as long as the Competing Business is not located within the Restricted Territory. If you or an Owner engages in a Prohibited Activity during the Post-Term Restricted Period (other than having an interest in a Competing Business permitted by this Section), then the Post-Term Restricted Period applicable to you or the non-compliant Owner, as applicable, shall be extended by the period of time during which you or the non-compliant Owner, as applicable, engaged in the Prohibited Activity.
- 14.4. Family Members.** Because (a) an Owner could circumvent the intent of §14 by disclosing Confidential Information to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild) and (b) it would be difficult for us to prove whether the Owner disclosed Confidential Information to the family member, each Owner agrees that he or she will be presumed to have violated the terms of §14 if any member of his or her immediate family engages in any Prohibited Activities during the Term or Post-Term Restricted Period or uses or discloses Confidential

Information. However, the Owner may rebut this presumption with evidence conclusively showing he or she did not disclose Confidential Information to the family member.

- 14.5. Employees.** All employees, officers, directors, independent contractors and other Persons associated with you or your Restaurant must sign and send us a Confidentiality Agreement before accessing our Confidential Information. You must: (a) use best efforts to ensure these individuals comply with the Confidentiality Agreements; (b) immediately notify us of any breach that comes to your attention; and (c) reimburse us for all expenses we incur to enforce a Confidentiality Agreement, including attorneys' fees and court costs.
- 14.6. Covenants Reasonable.** You and the Owners agree that: (a) the covenants in §14 are reasonable both in duration and geographic scope; (b) our use and enforcement of similar covenants with other franchisees benefits you and the Owners by preventing them from unfairly competing with your Restaurant; and (c) you and the Owners have sufficient resources, business experience and opportunities to earn an adequate living while complying with the covenants in §14.
- 14.7. Breach of Covenants.** You and the Owners agree that: (a) any breach of §14 is likely to cause substantial and irreparable damage to us and/or other franchisees for which there is no adequate remedy at Law; and (b) we are entitled to injunctive relief if you or an Owner breach §14, together with any other relief available at equity or Law. We will notify you if we intend to seek injunctive relief but we need not post a bond. If a court requires us to post a bond despite our agreement to the contrary, the bond amount may not exceed \$1,000. No remedy available to us under this Agreement is exclusive of any other, but may be combined with others under this Agreement, or at Law or in equity, including injunctive relief, specific performance and recovery of monetary damages.

15. YOUR OTHER RESPONSIBILITIES

15.1. Insurance. For your protection and ours, you agree to maintain the following insurance policies:

- (a) "all risk" property insurance, including coverage for fire, vandalism and malicious mischief, with minimum coverage for full replacement cost, covering all assets including inventory, furniture, fixtures, equipment and other property used to operate the Restaurant;
- (b) comprehensive general liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with the operation of your Restaurant, containing minimum liability protection of \$500,000 combined single limit per occurrence and \$1,000,000 in the aggregate;
- (c) automobile liability and property damage insurance covering all loss, liability, claim or expense of any kind whatsoever resulting from the use, operation, or maintenance of any non-owned automobiles or motor vehicles, leased or used by you or your officers, directors, employees, partners or agents in the operation of your Restaurant, containing minimum liability protection of \$500,000 combined single limit per occurrence and \$1,000,000 in the aggregate;
- (d) umbrella insurance containing minimum liability protection of \$2,000,000 combined single limit per occurrence and \$2,000,000 in the aggregate;
- (e) business interruption insurance providing coverage for 100% of all expenses and financial obligations for a minimum period of six (6) months, including fees owed to us, which shall be deemed to include average monthly royalty fees and brand fund fees imposed during the 12-month period preceding the event triggering coverage under the insurance policy (or the Restaurant's entire period of operation if less than 12 months);
- (f) worker's compensation insurance as required by Law;
- (g) any insurance required under your lease or by Law; and
- (h) any other insurance we specify in the Manual from time to time.

These policies reflect our minimum requirements and may not be adequate to fully protect your interests. You may wish to procure additional coverage. You must provide us with proof of coverage: (a) prior to opening; (b) within 10 days after a policy renewal; and (c) any other time on demand. You must obtain these policies from licensed insurance carriers rated A or better by AM Best. Each policy must satisfy all requirements in the Manual and be endorsed to: (a) name us and our owners, officers and directors as additional insureds; (b) waive all subrogation rights against us; and (c) provide us with at least 30 days' prior written notice of the termination, expiration, cancellation or modification of the policy. We may disapprove any policy that fails to meet these criteria, and you must immediately secure a new policy meeting our criteria. Upon 10 days' notice, we may increase the minimum liability coverage amount of any policy and/or require different or additional types of insurance, including excess liability (umbrella) insurance, due to inflation, special risks, changes in Law or standards of liability, higher damage awards or other relevant changes in circumstances. If you fail to maintain a required policy, we may, at our option, obtain the policy on your behalf. If we do so, you must promptly sign any application or other form required to obtain the policy and reimburse all premiums and other costs we incur.

15.2. Books and Records. You must prepare complete and accurate books, records, accounts and tax returns pertaining to your Business and keep copies for at least five (5) years. We may require you to prepare your books and records in compliance with our bookkeeping and accounting standards and policies in the Manual. You must send us copies of your books and records within seven (7) days of our request. You must provide us with independent access to your QuickBooks Online account (or other approved online accounting program) with permission to read all reports. You must utilize a bookkeeper we designate during the initial 12-month period after your Restaurant opens.

15.3. Reports.

- (a) Generally. You must prepare all reports we require including, without limitation, the reports described below. Reports must be prepared in the form and manner we specify. You must send us a copy of any required report upon request. We may independently access your Technology Systems to retrieve and compile Business Data and generate any reports we deem appropriate, including Gross Sales reports.
- (b) Report of Initial Investment Costs. To assist us in updating our Franchise Disclosure Document, you must complete and send us a report, in the form we designate, listing all expenses you incur in connection with the development and opening of your Restaurant. You must send us the completed report within 60 days after the opening date of your Restaurant.
- (c) Gross Sales Reports. No later than each royalty fee due date, you must send us a statement of your Gross Sales for the prior reporting period. If you miscalculate Gross Sales, you must notify us of the error no later than the end of the next reporting period. Otherwise, you will not be entitled to a refund or credit of fees paid to us based on previously reported Gross Sales.
- (d) Advertising Expenditure Reports. No later than the 10th day of each month, you must send us a monthly report detailing your expenditures incurred during the prior month on local advertising required by §10.3(b). All advertising expenditure reports must include copies of receipts for the reported expenditures.

15.4. Financial Statements. No later than the 15th day of each month, you must prepare and send us a monthly balance sheet and profit and loss statement for your Business for the prior month. Within 90 days after the end of each calendar year, you must prepare and send us a balance sheet (as of the end of the calendar year) and profit and loss statement for the prior calendar year. Financial statements must be: (a) verified and signed by you certifying to us that the information is true, complete, and accurate; (b) prepared on an accrual basis in compliance with Generally Accepted Accounting Principles; and (c) submitted in any format we reasonably require. We may require that your financial statements be reviewed or audited by a certified public accountant if you submit materially inaccurate financial statements on a prior occasion. You must send us a copy of any financial

statement required by this Section upon request. You hereby authorize us to disclose Operational Data to prospective franchisees, Governmental Authorities and other Persons for any reasonable business purpose, provided the disclosure is not prohibited by applicable Law.

15.5. Legal Compliance. You must secure and maintain all required licenses, permits and regulatory approvals and operate your Restaurant in compliance with all applicable Laws.

15.6. Reportable Events. You must promptly notify us in writing of the occurrence of any of the following (each, a “Reportable Event”):

- (a) the occurrence of an incident at your Restaurant involving significant personal injury;
- (b) the issuance of a citation or notice of violation by a Governmental Authority (or the commencement of an inquiry you believe is reasonably likely to lead to a citation or notice of violation) relating to a health or safety matter involving your Restaurant;
- (c) the commencement (or written threat) of an action, suit or proceeding against you, your Owners and/or your Restaurant that is reasonably likely to materially and adversely affect you, your Restaurant or the goodwill associated with the Marks; or
- (d) the conviction or indictment of an Owner for a felony or other crime reasonably likely to materially and adversely affect you, your Restaurant or the goodwill associated with the Marks.

15.7. Ownership and Protection of Data. We are the exclusive owner of all Business Data, whether collected by you, us or any other Person. We hereby grant you a license to utilize the Business Data solely for purposes of operating your Restaurant in compliance with this Agreement. You must protect all Customer Data with a level of control proportionate to the sensitivity of data. You must adhere to applicable privacy Laws with respect to data which, if compromised, could have a negative impact on our image or consumer confidence. You must comply with all applicable data protection Laws and our data processing and data privacy policies in the Manual (if any). Upon our request, you must sign any data processing or data privacy agreement required by us or by Law. You further agree to: (a) obtain, maintain and adhere to all applicable compliance standards established by PCI-DSS; (b) establish appropriate administrative, technical and physical controls consistent with Law and PCI-DSS to preserve the security and confidentiality of credit card information (in any form) that you store, process, transmit or come in contact with; (c) promptly notify us if you suspect, or there has been, a security breach or potential compromise of credit card information; (d) provide us with updates regarding the status of PCI-DSS, which updates may be through a completed PCI AOC (Attestation of Compliance), PCI-DSS SAQ (Self-Assessment Questionnaire) or other mutually-agreed method; and (e) promptly notify us of any noncompliance with PCI-DSS requirements to discuss your remediation efforts and timeline.

16. INSPECTION AND AUDIT

16.1. Inspections. For quality control purposes and to ensure compliance with this Agreement, we (or our representative) may enter your Restaurant, evaluate your operations and inspect your books, records, accounts and tax returns. We will determine the scope of the inspection, which may include, among other things:

- (a) evaluating the condition of your Restaurant for cleanliness, sanitation and state of repair;
- (b) examining and copying your books, records, accounts and tax returns;
- (c) inspecting and testing your equipment;
- (d) sampling your menu items;
- (e) removing samples of your inventory for testing purposes;
- (f) monitoring and speaking with your staff; and

(g) contacting your landlord and customers.

We may conduct inspections at any time without prior notice. We (or our representative) will use reasonable efforts to minimize any interference with the operation of your Restaurant. You and your employees must cooperate and not interfere with the inspection. You consent to us accessing your Technology Systems to retrieve Business Data. You must reimburse us for all Travel Expenses and other costs we incur to conduct an inspection to determine if you remedied a: (a) health or safety issue identified by a Governmental Authority; or (b) breach of system standards we bring to your attention. We bear the cost of all other inspections.

16.2. Audit. We may audit your books and records at any time. You must fully cooperate with us and any Person we hire to conduct the audit. If an audit reveals an understatement of Gross Sales, you must immediately pay us all additional fees you owe together with any late fee imposed pursuant to §13.4. You must reimburse us for the cost of any audit (including reasonable accounting and attorneys' fees and Travel Expenses incurred by us or the auditor) that: (a) is required due to your failure to provide information we request, preserve records or file reports as required by this Agreement; or (b) reveals an understatement of Gross Sales by at least 3%. We bear the cost of all other audits. Your reimbursement of our audit costs does not preclude us from terminating this Agreement.

17. INTELLECTUAL PROPERTY

17.1. Ownership and Use. You acknowledge that: (a) we are (or our affiliate is) the exclusive owner of the Intellectual Property and the associated goodwill; (b) your right to use the Intellectual Property is derived solely from this Agreement; and (c) your right to use the Intellectual Property is limited to a license to operate your Restaurant during the Term pursuant to, and only in compliance with, this Agreement and the Manual. You may not use the Intellectual Property in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized by us. Any unauthorized use of the Intellectual Property constitutes an infringement of our rights. You must comply with all provisions in the Manual governing use of the Intellectual Property. You will not acquire any goodwill, title or interest in or to the Intellectual Property.

17.2. Intellectual Property Changes. We may change the Intellectual Property at any time in our sole discretion, including the Copyrighted Materials, Know-how, Marks and/or System. You must, at your expense, implement all Intellectual Property changes we require in accordance with our instructions. We are not liable for any expenses, losses or damages you incur (including the loss of any goodwill associated with a Mark) due to a change to the Intellectual Property.

17.3. Use of Marks. You agree to: (a) use the Marks as the sole identification of your Restaurant; *provided, however*, that you must identify yourself as the independent owner of your Restaurant in the manner we prescribe; (b) prominently display the Marks in the manner we prescribe on or in connection with any advertising, promotional materials, displays, receipts, stationery and forms we designate to give notice of trademark and service mark registrations and copyrights; and (c) obtain any fictitious or assumed name registrations required by applicable Law. You may not: (a) use the Marks in any modified form or as part of a corporate or trade name or with any prefix, suffix, or other modifying words, designs or symbols (other than logos we license to you); (b) use the Marks when signing a contract, lease, check or other agreement or in any other manner that may cause confusion or imply we are liable for your obligations; (c) register or attempt to register a Mark, or a trademark confusingly similar to a Mark, with a Governmental Authority; or (d) challenge or contest the validity or ownership of our Marks.

17.4. Use of Know-how. We disclose our proprietary Know-how to you during training programs, in the Manual and through other guidance furnished during the Term. You do not acquire any interest in the Know-how other than the right to utilize it, during the Term, solely for purposes of developing and operating your Restaurant in compliance with this Agreement and the Manual.

17.5. Improvements. If you (or your Owner or employee) conceive of or develop an Improvement, you must send us a written notice describing the Improvement. You must obtain our approval prior to

using the Improvement. Any Improvement we approve may be used by us and any third parties we authorize to operate a Restaurant, without any obligation to pay royalties or other fees to you or any other Person. You or your Owner or employee, as applicable, must assign ownership of the Improvement to us or our designee, without charge, together with all associated intellectual property rights, including the right to grant sublicenses. If applicable Law precludes you from assigning ownership to us, then you must grant us a perpetual royalty-free license to use, commercialize and sublicense the Improvement in any manner we deem appropriate.

17.6. IP Disputes. You must immediately notify us of any IP Dispute. You may not communicate with any Person other than us and our counsel in connection with the IP Dispute. We have sole discretion in deciding what action, if any, to take in response to an IP Dispute. We exclusively control all litigation and other proceedings relating to IP Disputes. You must execute all documents, render all assistance, and perform all acts that our counsel deems necessary or advisable to protect or maintain our interest in the proceeding and/or protect the Intellectual Property.

18. INDEMNITY. You agree to indemnify the Indemnified Parties and hold them harmless for, from and against any and all Losses and Expenses they incur as a result of or in connection with:

- (a) the marketing, use or operation of your Restaurant;
- (b) the breach of a Definitive Agreement committed by you or your Owner or affiliate;
- (c) the breach of an agreement with a third party committed by you or your Owner or affiliate;
- (d) any representations made by you or your Owner to a transferee in connection with a Transfer;
- (e) any Claim relating to taxes or penalties a Governmental Authority assesses against us as a direct result of your failure to pay or perform functions required of you under this Agreement;
- (f) libel, slander or disparaging comments made by you or your Owners, officers, employees or independent contractors regarding the System, a Restaurant or an Indemnified Party (this provision does not apply to disclosure of truthful information to Governmental Authorities or other franchisees);
- (g) any labor, employment or similar type of Claim pertaining to your employees (including Claims alleging we are a joint employer of your employees) or our relationship with you or your Owners (including Claims alleging we are an employer of you and/or any of your Owners); or
- (h) any actions, investigations, rulings or proceedings conducted by any Governmental Authority (including the United States Department of Labor, Equal Employment Opportunity Commission or National Labor Relations Board) relating to your employees.

You and your Owners must immediately notify us of any Claim or proceeding described above. The Indemnified Parties have the right, in their sole discretion, to: (a) retain counsel of their choosing to represent them with respect to the Claim; and (b) control the response thereto and the defense thereof, including the right to settle the Claim. You may participate in the defense at your expense. You must fully cooperate and assist the Indemnified Parties with the defense of the Claim and reimburse them for all costs and expenses they incur in defending the Claim including, without limitation, mediation, arbitration or court expenses, expert fees and Travel Expenses incurred by attorneys or expert witnesses to attend mediation, arbitration or legal or administrative proceedings or hearings relating to the matter. Your indemnification obligations survive the Transfer, termination or expiration of this Agreement and remain in full force and effect.

19. TRANSFERS

19.1. By Us. This Agreement is fully assignable by us (without prior notice to you) and shall inure to the benefit of any assignee(s) or other legal successor(s) to our interest in this Agreement, provided that we shall, subsequent to any such assignment, remain liable for any obligations incurred by us prior to the effective date of the assignment. We may also delegate our obligations under this Agreement to one or more Persons without assigning the Agreement.

19.2. By You. The rights and duties created by this Agreement are personal to you and the Owners. We are granting you franchise rights in reliance upon the character, skill, attitude, business ability and financial resources of you and your Owners. Because this Agreement is a personal services contract, neither you nor any Owner may engage in a Transfer (other than a Permitted Transfer) without our prior approval. Any Transfer (other than a Permitted Transfer) without our approval is void and constitutes a breach of this Agreement. We will not unreasonably withhold our approval of a proposed Transfer if all of the following conditions are satisfied:

- (a) we believe the proposed transferee has sufficient business experience, aptitude and financial resources to own and operate a Restaurant and meets our minimum criteria for franchisees;
- (b) you and your affiliates and Owners are in full compliance with all Definitive Agreements;
- (c) the transferee's owners successfully complete, or make arrangements to attend, the initial training program and the transferee pays us any applicable training fee;
- (d) your landlord consents to the assignment of your lease to the transferee, or the transferee is diligently pursuing an approved substitute location within the Site Selection Area;
- (e) the transferee and its owners obtain all licenses and permits required by applicable Law to own and operate the Restaurant;
- (f) the transferee: (i) agrees to discharge and guarantee your obligations under this Agreement and other agreements relating to the Business (including supplier contracts); and (ii) signs any agreement we require to confirm the foregoing;
- (g) the transferee and its owners sign our then-current form of franchise agreement (unless we instruct you to assign this Agreement to the transferee) except that: (i) the Term and renewal term(s) shall be the Term and renewal term(s) remaining under this Agreement unless we specify otherwise; and (ii) the transferee need not pay a separate initial franchise fee;
- (h) the transferee agrees to remodel the Restaurant and upgrade all furniture, fixtures and equipment to conform to our then-current standards and specifications (these changes must be completed within 12 months after the Transfer or such shorter period of time we specify);
- (i) you or the transferee pay us a \$20,000 transfer fee to defray expenses we incur related to the Transfer (in addition to the transfer fee, you must reimburse us for any commission we pay our broker if our broker finds the transferee);
- (j) you and your Owners sign a General Release;
- (k) you agree to subordinate the transferee's financial obligations owed to you to the transferee's financial obligations owed to us pursuant to the franchise agreement (we may require you to enter into a written subordination agreement);
- (l) we choose not to exercise our right of first refusal described in §19.5; and
- (m) you or the transferring Owner, as applicable, and the transferee satisfy all other conditions we reasonably require as a condition to approval of the Transfer.

Our consent to a Transfer shall not constitute a waiver of any Claims we have against the transferor or our right to demand the transferee comply with all terms of the franchise agreement.

19.3. Permitted Transfers. You may engage in a Permitted Transfer without our prior approval, but you must: (a) give us at least 10 days' prior written notice; and (b) upon our request, cause the former Franchisee Entity to sign a corporate guarantee in the format we require to secure performance of the new Franchisee Entity's financial obligations under all Definitive Agreements (if the Permitted Transfer results in a new Franchisee Entity). You and the Owners (and transferee) must sign all documents we reasonably request to effectuate and document the Permitted Transfer.

- 19.4. Owner Death or Disability.** Within 180 days after an Owner's death or permanent disability, the Owner's Equity Interest in the Business or Franchisee Entity must be Transferred to another Person in compliance with §19.2 or §19.3. An Owner is deemed to have a "permanent disability" only if he/she has a medical or mental problem preventing him/her from substantially complying with his/her obligations under this Agreement or operating the Business in the manner required by this Agreement and the Manual for a continuous period of at least three (3) months.
- 19.5. Our Right of First Refusal.** If you or an Owner wish to engage in a Transfer, you or the Owner, as applicable, must obtain and send us a bona-fide offer executed by the purchaser after completion of due diligence. We have 30 days after receiving the offer to decide whether to purchase the interest for the same price and upon the same terms contained in the offer, except we may substitute cash for any non-cash form of payment proposed in the offer. If we notify you within the 30-day period that we intend to purchase the interest, you or the Owner, as applicable, must sell the interest to us. We will have an additional 60 days to prepare for closing. You or the Owner, as applicable, must provide us with all customary representations and warranties regarding the title to and condition of the assets or Equity Interest that we purchase, or at our option, the representations and warranties contained in the offer. If we do not exercise our right of first refusal, you or the Owner, as applicable, may complete the Transfer to the purchaser pursuant to the terms of the offer, subject to the requirements of §19.2, including our approval of the transferee. If the sale is not completed within 120 days after we receive the offer, or there is a material change to the terms of sale, we will again have the right of first refusal specified in this Section. Our right of first refusal shall not apply to a Permitted Transfer.

20. TERMINATION

- 20.1. By You.** You may terminate this Agreement if we fail to cure a material breach within 90 days after you send us a default notice specifying the nature of the breach. If you terminate pursuant to §20.1, you must still comply with your post-term obligations described in §21 and all other obligations that survive the termination of this Agreement.
- 20.2. By Us.** We may terminate this Agreement, effective upon delivery of a written notice of termination, for any of the following reasons, all of which constitute material events of default and "good cause" for termination, and without opportunity to cure except for any cure period expressly set forth below:
- (a) if you are insolvent due to your inability to pay your debts as they become due;
 - (b) if you file a voluntary petition in bankruptcy or any pleading seeking any reorganization, liquidation, dissolution or composition or other settlement with creditors under any Law, or you are the subject of an involuntary bankruptcy (which may or may not be enforceable under the Bankruptcy Act of 1978);
 - (c) if your Restaurant, or substantially all of its assets, are seized by a Government Official or taken over or foreclosed upon by a creditor, lienholder or lessor;
 - (d) if a final judgment against you remains unsatisfied for 30 days unless a supersedes or other appeal bond has been filed;
 - (e) if a levy of execution has been made upon the license granted by this Agreement or any property used in your Business and is not discharged within five (5) days of the levy;
 - (f) if the Managing Owner fails to satisfactorily complete initial training as required by §5.1;
 - (g) if you fail to identify an approved site or open your Restaurant before the associated deadlines set forth in §7.1 or §7.4, respectively;
 - (h) if you abandon or fail to operate your Restaurant for three (3) consecutive business days unless due to Force Majeure (in which case §24.6 governs) or another reason we approve;
 - (i) if a Governmental Authority suspends or revokes a license or permit required to lawfully operate the Restaurant unless the suspension/revocation is overturned within 20 days thereafter;

- (j) if you operate the Restaurant in a manner that presents a health or safety hazard to your customers, employees or the public and fail to cure within 24 hours after notice from us;
- (k) if you underreport Gross Sales by at least 3% on two (2) or more occasions;
- (l) if you fail to pay any amount owed to us, our affiliate or an approved or designated supplier within 10 days after demand for payment (subject to your right to dispute, in good faith, amounts owed to third-party suppliers in accordance with §11.8(d));
- (m) if you fail to promptly notify us of a Reportable Event in accordance with §15.6;
- (n) if you (or an Owner) (i) are subject to a material administrative disciplinary action or (ii) plead no contest to, or are convicted of, a felony or other material crime;
- (o) if you (or an Owner) fail to comply with a material Law applicable to your Restaurant;
- (p) if you (or an Owner) commit an act that can reasonably be expected to materially and adversely affect the reputation of the System or goodwill associated with the Marks;
- (q) if you (or an Owner) make a material misrepresentation to us at any time;
- (r) if you (or an Owner) make an unauthorized Transfer;
- (s) if you (or an Owner) use the Intellectual Property in an unauthorized manner;
- (t) if you (or an Owner) breach a brand protection covenant in §14 or representation in §23.2;
- (u) if an Owner (or their spouse) breaches a Franchise Owner Agreement;
- (v) if the lease for your premises is terminated due to your default;
- (w) if we send you three (3) or more default notices within a 12-month period (even if cured);
- (x) if we (or our affiliate) terminate any Definitive Agreement due to a default committed by you (or your affiliate or an Owner); or
- (y) if you (or an Owner) breach any other provision of this Agreement, including any mandatory provision in the Manual, and fail to cure within 30 days after receipt of a default notice.

If we send you a default notice we may cease to perform our obligations under this Agreement until you cure the breach, unless our failure to perform would materially impair your ability to cure.

20.3. By Mutual Agreement. If you and we mutually agree in writing to terminate this Agreement, any notice or cure period that might otherwise apply shall be deemed waived.

21. POST-TERM OBLIGATIONS.

21.1. Obligations of You and the Owners. After the termination, expiration or Transfer of this Agreement, you and the Owners agree to:

- (a) immediately cease use of the Intellectual Property;
- (b) comply with all post-term covenants described in §14;
- (c) cancel all fictitious or assumed name registrations relating to your use of the Marks;
- (d) pay us all amounts you owe;
- (e) if we so request, transfer all Customer Data to us;
- (f) comply with our data retention policies pertaining to Business Data;
- (g) comply with our instructions to return or destroy all copies of the Manual and Copyrighted

Materials and all signs, menus, recipes, brochures, advertising and promotional materials, forms and other materials bearing the Marks or containing Confidential Information;

- (h) alter the interior and exterior of the premises to the extent necessary, or to the extent we require, to prevent any further resemblance to or connection with a Restaurant or our System, including repainting the exterior and interior with new colors and removing trade dress, fixtures, signage, window decals and décor items associated with a Restaurant;
- (i) notify all telephone, listing and domain name registration companies of the termination or expiration of your right to use: (i) any telephone numbers and/or domain names associated with your Restaurant; and (ii) any regular, classified or other telephone directory listings associated with the Marks (you hereby authorize the foregoing companies to transfer such telephone numbers, domain names and listings to us and you authorize us, and appoint us and any officer we designate as your attorney-in-fact to direct these companies to transfer the telephone numbers, domain names and listings to us if you fail or refuse to do so); and
- (j) provide us with satisfactory evidence of your compliance with the above obligations within 30 days after the effective date of the termination, expiration or Transfer of this Agreement.

Subsections (g), (h) and (i) above shall not apply if you Transfer your Restaurant to an approved transferee or we exercise our right to purchase your Restaurant. If an Owner transfers his or her entire Equity Interest in the Business or Franchisee Entity but you continue to operate the Restaurant pursuant to this Agreement, then this Section shall not apply to you (or to any remaining Owner) and the former Owner shall be subject only to the obligations set forth in subsections (a) and (b).

21.2. Purchase Option.

- (a) Generally. Upon termination or expiration of this Agreement we have the option to purchase your Restaurant and/or its assets. If we choose to exercise our purchase option, we will notify you of the assets we wish to purchase (the “Acquired Assets”) within 20 days after the termination or expiration date. If we exercise our purchase option we may require that: (i) you assign your lease to us at no additional charge (if you lease the premises); or (ii) you or your affiliate enter into a lease with us upon standard and commercially reasonable leasing terms, including rent at fair rental value, for a term of 10 years or such shorter term that we specify (if you or your affiliate own the real estate). The purchase price for the Acquired Assets will be: (i) the purchase price established by the parties (if mutually agreed upon); or (ii) the Appraised Value established in accordance with §21.2(b) below. We may, at our option, assign our purchase option to a designee of our choosing.
- (b) Appraisal Process. If the parties cannot agree on the purchase price, the purchase price shall be the Appraised Value established in accordance with this Section. “Appraised Value” means the fair market value of the Acquired Assets as of the date this Agreement is terminated or expires, as applicable; *provided, however*, that fair market value shall not include any value for goodwill and/or the franchise rights granted by this Agreement. The parties shall attempt to mutually agree upon a single independent appraiser. If they fail to do so, either party may demand the appointment of three (3) appraisers in accordance with the following: (i) no later than 15 days after the demand, each party shall appoint one (1) appraiser and notify the other party of the appointed appraiser’s name and contact information; and (ii) no later than 30 days after the demand, the two (2) appraisers appointed by the parties will jointly appoint a third (3rd) appraiser. If either party fails to appoint an appraiser within the 15-day period, then the appraiser appointed by the other party shall be deemed the single appraiser approved by the parties. You must promptly provide any documents or information requested by the appraisers. If a single appraiser is appointed, the purchase price shall be the Appraised Value established by the appraiser. If three (3) appraisers are appointed, the purchase price shall be: (i) the Appraised Value agreed upon by at least two (2) of the appraisers; or (ii) the average of the two (2)

Appraised Values that are closest to each other if none of the appraisers agree upon the Appraised Value. Each party shall promptly pay 50% of the cost of the appraisal.

- (c) **Closing.** The parties shall memorialize the acquisition by executing the form of Asset Purchase Agreement we reasonably prescribe, which shall include customary representations and warranties regarding title to and the condition of the Acquired Assets. At closing you must transfer good and clean title to the Acquired Assets, subject to any exceptions set forth in the Asset Purchase Agreement, and we must pay you the purchase price. We may deduct from the purchase price: (i) any amounts you owe us or our affiliates under any Definitive Agreements, including damages owed as a result of our termination of this Agreement due to your breach; and (ii) the amount of any liabilities we assume on your behalf, including future rent. We will have at least 60 days after the purchase price of the Acquired Assets has been established to close the transaction.

22. DISPUTE RESOLUTION.

- 22.1. Negotiation and Mediation.** Except as otherwise provided below with respect to Excluded Claims, the parties shall attempt in good faith to resolve any Dispute through informal discussions and negotiations. If these efforts are unsuccessful, either party may submit the Dispute to mediation before a mutually-agreeable mediator prior to litigation. All negotiations and mediation proceedings (including all discovery conducted therein and statements and settlement offers made by either party or the mediator in connection with the mediation): (a) shall be strictly confidential; (b) shall constitute “settlement negotiations” for purposes of federal and state rules of evidence; and (c) shall not be admissible or otherwise used for any purpose in any court or arbitration proceeding (except evidence that would otherwise be discoverable or admissible shall not be excluded from discovery or made inadmissible simply because of its use in mediation). The mediator may not be called as a witness for any purpose in any court or arbitration proceeding. Any Dispute involving Claims alleging a breach of §14, §17 and/or §21 (referred to as “Excluded Claims”) is not subject to mandatory negotiation or mediation unless both parties agree otherwise.
- 22.2. Litigation.** If a Dispute either (a) is not successfully resolved by mediation within 60 days after a party makes a demand for mediation or (b) involves an Excluded Claim, then either party may file a lawsuit in any state or federal court of general jurisdiction in accordance with the choice of venue provision below. The parties hereby express their clear and unequivocal intent that a court, rather than a mediator, has exclusive jurisdiction to decide the threshold issue of whether a Dispute involves an Excluded Claim (i.e., whether any Claim alleges a breach of §14, §17 or §21).
- 22.3. Venue.** All mediation and litigation shall take place in the county in which we maintain our principal place of business at the time the Dispute arises (currently Fairfax County, Virginia). The parties irrevocably waive any objection to such venue and consent to the jurisdiction of such courts.
- 22.4. Attorneys’ Fees and Costs.** If a Dispute is resolved through a judicial proceeding, the substantially prevailing party is entitled to reimbursement of its costs and expenses, including reasonable accounting and legal fees and cost costs. In addition, if you or an Owner breach any term of a Definitive Agreement, you must reimburse us for all reasonable legal fees and other expenses we incur as a result of the breach, regardless of whether the breach is cured prior to commencement of formal dispute resolution proceedings.
- 22.5. Waivers.** UNLESS PROHIBITED BY APPLICABLE LAW, ANY CLAIM (OTHER THAN FOR PAYMENT OF MONIES OWED OR AN EXCLUDED CLAIM) MUST BE BROUGHT BY FILING A WRITTEN DEMAND FOR MEDIATION WITHIN ONE (1) YEAR FOLLOWING THE CONDUCT, ACT OR OTHER EVENT OR OCCURRENCE GIVING RISE TO THE CLAIM, OR THE RIGHT TO ANY REMEDY WILL BE DEEMED FOREVER WAIVED AND BARRED. WE AND YOU IRREVOCABLY WAIVE: (a) TRIAL BY JURY; AND (b) THE RIGHT TO LITIGATE A DISPUTE ON A CLASS ACTION BASIS.

23. REPRESENTATIONS.

- 23.1. Corporate Representations.** You and the Owners jointly and severally represent and warrant to us that the execution and delivery of this Agreement, and the performance of your obligations hereunder, does not: (a) conflict with, breach or constitute a default under any agreement to which you are (or any affiliate of yours is) a party or by which your (or your affiliate's) assets are bound; (b) violate any order, injunction, decree, judgment or ruling of a Governmental Authority; or (c) violate any applicable Law. If the franchisee is an Entity, you and the Owners also jointly and severally represent and warrant to us that: (a) the Franchisee Entity is duly organized, validly existing and in good standing under the Laws of the state of its formation and has the requisite power and authority to enter into this Agreement and perform its obligations hereunder; and (b) the execution and delivery of this Agreement have been duly authorized by all requisite corporate action and this Agreement constitutes the legal, valid and binding obligation of, and is enforceable against, the Franchisee Entity in accordance with its terms.
- 23.2. Anti-Terrorism Compliance.** You and the Owners jointly and severally represent and warrant to us that, to the best of your and their knowledge: (a) no property or interest owned by you or any Owner is subject to being "blocked" under any Anti-Terrorism Law; (b) neither you nor any Owner, nor any of their respective funding sources (including any legal or beneficial owner of an Equity Interest in the Business or Franchisee Entity) or related parties is, or has ever been: (i) a terrorist or suspected terrorist within the meaning of the Anti-Terrorism Law; or (ii) identified by name, alias, pseudonym, nickname or address on any Terrorist List, including the list of "Specially Designated Nationals" or "Blocked Persons" maintained by the U.S. Treasury Department's Office of Foreign Assets Control (texts currently available at www.home.treasury.gov); and (c) you and the Owners are in compliance with, and shall continue to comply with, the Anti-Terrorism Law and all other U.S. Laws currently in effect, or enacted in the future, that prohibit corrupt business practices, money laundering or the aid or support of Persons who conspire to commit acts of terror against any Person or government. The foregoing representations and warranties are 'continuing' representations and warranties for the duration of the franchise relationship. Accordingly, you must immediately notify us of the occurrence of any event or development of any circumstance that might render any of the foregoing representations and warranties false, inaccurate or misleading.

24. GENERAL PROVISIONS

- 24.1. Governing Law.** Except as governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051, et seq.), this Agreement and the franchise relationship are governed by the Laws of Delaware without reference to its principles of conflicts of law, but any Delaware Law that regulates the offer and sale of franchises or business opportunities or governs the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Section.
- 24.2. Relationship of the Parties.** Nothing in this Agreement creates a fiduciary relationship between the parties or is intended to make either party a general or special agent, legal representative, joint venture, partner, employee or servant of the other for any purpose. Throughout the Term you must, in all dealings with third parties, conspicuously identify yourself as a franchisee and the independent owner of your Restaurant. We may require that you display a written notice of independent ownership, in the form we prescribe, at any location within your Restaurant that we specify. You must also include a written indication of independent ownership on all agreements, forms, letterhead, advertising materials, business cards and other materials that we specify. Neither party may: (a) make any express or implied agreement, warranty or representation, or incur any debt, in the name of or on behalf of the other; or (b) represent that our relationship is other than franchisor and franchisee. In addition, neither party will be obligated by any agreements or representations made by the other that are not expressly authorized by this Agreement.
- 24.3. Severability and Substitution.** Each section of this Agreement (and each portion thereof) shall be severable. If applicable Law imposes mandatory non-waivable terms that conflict with a provision of

this Agreement, the terms required by such Law shall govern to the extent of the inconsistency. If a court concludes that any promise or covenant in this Agreement is unreasonable or unenforceable: (a) the court may modify such promise or covenant to the minimum extent necessary to make it enforceable; or (b) we may unilaterally modify such promise or covenant to the minimum extent necessary to make it enforceable.

- 24.4. Waivers.** Each party may waive any obligation imposed on the other party in writing. Neither party shall be deemed to have waived or impaired any of its contractual rights under this Agreement, including the right to require strict compliance with all terms of this Agreement or terminate this Agreement due to the other party's failure to comply with such terms, by virtue of: (a) any custom or practice of the parties at variance with the terms of this Agreement; (b) any failure, refusal or neglect by a party to exercise any right under this Agreement or require the other party to strictly comply with its obligations under this Agreement; (c) our waiver, failure or refusal to exercise any of our rights with respect to other franchisees; or (d) our acceptance of payment from you after your breach.
- 24.5. Approvals.** Whenever this Agreement requires our approval, you must make a timely written request for approval. Our approval must be in writing in order to bind us. Except as otherwise expressly provided in this Agreement, if we fail to approve any request for approval within the required period of time, we shall be deemed to have disapproved your request.
- 24.6. Force Majeure.** Neither party shall be liable for loss or damage or deemed in breach of this Agreement if such party's failure to perform its obligations results from an event of Force Majeure; *provided, however*, that an event of Force Majeure shall not excuse or permit any failure to perform for more than 180 days. If the period of non-performance exceeds 180 days from receipt of notice of the Force Majeure event, the party whose ability to perform has not been affected may immediately terminate this Agreement by giving written notice of termination to the other party.
- 24.7. Binding Effect.** This Agreement is binding on the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest. Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any Person not a party to this Agreement; *provided, however*, that the additional insureds listed in §15.1 and the Indemnified Parties are intended third-party beneficiaries under this Agreement with respect to §15.1 and §18, respectively.
- 24.8. Integration.** THIS AGREEMENT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES AND MAY NOT, EXCEPT AS PERMITTED BY §11.2 AND §24.3, BE CHANGED EXCEPT BY A WRITTEN DOCUMENT SIGNED BY BOTH PARTIES. In addition, our issuance of a Site Approval Notice shall be deemed to amend this Agreement to identify the approved site and Territory for your Restaurant, regardless of whether you countersign and/or return the Site Approval Notice. Any email or informal electronic communication shall not be deemed to modify this Agreement unless it is signed by both parties and specifically states it is intended to modify this Agreement. The attachment(s) are part of this Agreement, which together with any Amendments or Addenda executed on or after the Effective Date constitutes the entire understanding and agreement of the parties. There are no other oral or written understandings or agreements between the parties about the subject matter of this Agreement. As referenced above, all mandatory provisions of the Manual are part of this Agreement. Any representations not specifically contained in this Agreement made before entering into this Agreement do not survive after the signing of this Agreement. Nothing in this Agreement is intended to disclaim any of the representations we made in the Franchise Disclosure Document. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (a) waiving any claims under any applicable state franchise law, including fraud in the inducement or (b) 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.
- 24.9. Good Faith Covenant.** If applicable Law implies into this Agreement a covenant of good faith and fair dealing, the covenant shall not imply any rights or obligations inconsistent with the express

terms hereof. This Agreement, and the relationship of the parties inherent in this Agreement, grants us discretion to make decisions, take actions and/or refrain from taking actions not inconsistent with our explicit rights and obligations under this Agreement that may favorably or adversely affect your interests. We will use our judgment in exercising the discretion based on our assessment of our own interests and balancing those interests against the interests of our franchisees, but without considering the individual interests of you or any other franchisee.

24.10. Rights of Parties are Cumulative. The rights of the parties under this Agreement are cumulative and no exercise or enforcement by either party of any right or remedy under this Agreement will preclude any other right or remedy available under this Agreement or by Law.

24.11. Survival. All provisions that expressly or by their nature survive the termination, expiration or Transfer of this Agreement, or the Transfer of an Equity Interest in the Business or Franchisee Entity, shall continue in full force and effect subsequent to and notwithstanding its termination, expiration or Transfer and until they are satisfied in full or by their nature expire, including, without limitation, §13, §14, §16, §18, §21, §22 and §24.

24.12. Construction. The headings in this Agreement are for convenience only and do not define, limit or construe the contents of the sections or subsections. All references to Sections refer to the Sections contained in this Agreement unless otherwise specified. All references to days in this Agreement refer to calendar days unless otherwise specified. The term “you” as used in this Agreement is applicable to one or more Persons, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine and the possessive.

24.13. Time of Essence. Time is of the essence in this Agreement and every term thereof.

24.14. Notice. All notices given under this Agreement must be in writing, delivered by hand, email (to the last email address provided by the recipient) or first class mail, to the following addresses (which may be changed upon 10 business days’ prior written notice):

YOU:	As set forth in Part A of <u>ATTACHMENT "A"</u>
US:	Cha Franchisor LLC 2966 Cashel Lane, Vienna, Virginia 22181 Attention: Suhail Kamran Email: skamran@thechacompany.com

Notice shall be considered given on the earliest to occur of: (a) the third (3rd) business days after placed in the mail, postage prepaid, by certified mail with a return receipt requested; (b) the first (1st) calendar day after sent by email or comparable electronic system; or (c) the date delivered by hand.

24.15. Counterparts. This Agreement may be signed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

[Signature Page Follows]

The parties below have executed this Agreement effective as of the Effective Date first above written.

FRANCHISOR:

Cha Franchisor LLC, a Delaware limited liability company

By: _____

Name: _____

Title: _____

YOU (If you are an Entity):

_____,
a(n) _____

By: _____

Name: _____

Title: _____

YOU (If you are not an Entity):

Name: _____

Name: _____

Name: _____

Name: _____

Name: _____

Name: _____

Name: _____

ATTACHMENT "A"
TO FRANCHISE AGREEMENT

DEAL TERMS

A. Franchisee Details

Name of Franchisee: [_____]

Is the franchisee one or more natural Persons signing in their individual capacity? **Yes:** ____ **No:** ____

Type of Entity and State of Formation* (if applicable): [_____]

** If the franchisee is a business Entity, each Person holding a direct or indirect Equity Interest in the Franchisee Entity, and spouse of each such Person who is a natural Person, must sign the Franchise Owner Agreement concurrently with the execution of this Agreement.*

The following table includes the full name of each Person holding a direct or indirect Equity Interest in the Business or Franchisee Entity, as applicable, along with a description of their Equity Interest.

Owner's Name	% Equity Interest	Direct or Indirect (if indirect, describe nature of interest)

Notice Address: _____

Attention: _____

Email: _____

B. Site Selection Area

The Site Selection Area referenced in the Franchise Agreement consists of the following geographic area:
[_____]

** The Site Selection Area is not your territory and there are no protections associated with this area.*

C. Approved Site

We hereby approve the site listed below for your Restaurant.

Approved Address: [_____]

** If the site for your Restaurant has not been approved by us at the time this Agreement is signed, we will send you a Site Approval Notice in accordance with §7.1 listing the address of your approved site.*

D. Territory

The Territory referenced in the Franchise Agreement consists of, and shall be limited to, the geographic area within a [] mile radius from the approved site for your Restaurant.

** If the site for your Restaurant has not been approved by us before this Agreement is signed, we will send you a Site Approval Notice in accordance with §3.2 to identify your Territory.*

ATTACHMENT "B"
TO FRANCHISE AGREEMENT
FORM OF SITE APPROVAL NOTICE

[See Attached]

SITE APPROVAL NOTICE

Cha Franchisor LLC (“we” or “us”) is issuing this Site Approval Notice (this “Notice”) to _____ (“you”), effective _____, 202____, in connection with the Cha Street Food Franchise Agreement (the “Franchise Agreement”) that we executed with you on _____, 202____. The purpose of this Notice is to confirm our approval of the site you proposed for your Restaurant and our designation of the boundaries of your “Territory”.

Approved Address:

Pursuant to §7.1 of the Franchise Agreement, we hereby approve the site listed below for your Restaurant:

Territory:

Pursuant to §3 of the Franchise Agreement, we hereby designate your Territory under the Franchise Agreement as the geographic area within a [] mile radius from the approved site for your Restaurant.

* * *

By signing below, you and we agree that: (a) the address identified in this Notice shall be deemed the approved site for your Restaurant established and operated pursuant to the Franchise Agreement; and (b) the geographic area described in this Notice under “Territory” shall be deemed your Territory under the Franchise Agreement. You acknowledge and agree that our acceptance of the site you proposed is in no way a representation by us that your site will be successful. Rather, our acceptance merely indicates the site meets our minimum standards and requirements.

We request that you sign below and send us an executed copy of this Notice to acknowledge your receipt. However, your failure or refusal to sign below will not invalidate or otherwise affect our designation of your approved site or Territory. Our designation of your approved site and Territory, as set forth in this Notice, shall be binding on you effective as of the effective date listed in the first paragraph in this Notice.

Franchisor

Cha Franchisor LLC

By:_____

Name:_____

Title:_____

Date:_____

Franchisee

By:_____

Name:_____

Title:_____

Date:_____

ATTACHMENT "C"
TO FRANCHISE AGREEMENT

LEASE ADDENDUM

[See Attached]

LEASE ADDENDUM

This Lease Addendum (this “Agreement”) is executed as of _____, 202__ by and among Cha Franchisor LLC, a Delaware limited liability company (“Franchisor”), [_____] a(n) [_____] with principal offices located at [_____] (“Landlord”), and [_____] a(n) [_____] with principal offices located at [_____] (“Tenant”).

Background

- A. On [_____] 202[___], Franchisor and Tenant executed a Cha Street Food Franchise Agreement (the “Franchise Agreement”), pursuant to which Franchisor granted Tenant the right and obligation to develop, open and operate a CHA STREET FOOD™ restaurant at the premises described in Exhibit “A” (the “Premises”).
- B. Concurrently with the execution of this Agreement, Landlord and Tenant are executing a lease agreement (the “Lease”), pursuant to which Landlord will lease the Premises to Tenant.
- C. To protect Franchisor’s rights and interests under the Franchise Agreement, Landlord agrees to grant certain rights to Franchisor as set forth below.

Agreement

- 1. Default Notices. Landlord agrees to provide Franchisor with copies of all written default notices sent to Tenant at the same time such notices are sent to Tenant. Landlord agrees to send such copies to Franchisor by email and registered mail as set forth below (Franchisor may change the notice email and address from time to time by sending written notice to Landlord):

Cha Franchisor LLC
2966 Cashel Lane, Vienna, Virginia 22181
Attention: Suhail Kamran
Email: skamran@thechacompany.com

- 2. Right to Cure. If Tenant defaults under the Lease, Franchisor has the right (but not the duty) to cure such default within 15 days following the expiration of any applicable cure period. In such event, Franchisor may immediately commence occupancy of the Premises as the tenant under the Lease without obtaining Landlord’s or Tenant’s consent. Franchisor may thereafter assign the Lease to another CHA STREET FOOD™ franchisee or to an entity owned and/or controlled by Franchisor. If it does, Franchisor must first obtain Landlord’s written approval of the assignee. Landlord, however, must neither unreasonably withhold nor delay its approval thereof. Landlord will acknowledge any such assignment in writing. No assignment permitted under this Section is subject to any assignment or similar fee or will cause any rental acceleration.
- 3. Right to Assign. At any time, including, without limitation, upon the expiration or termination of the Franchise Agreement, and without Landlord’s prior consent, Tenant may assign the Lease to Franchisor. In such event, Franchisor may thereafter assign the Lease to another CHA STREET FOOD™ franchisee or to an entity owned and/or controlled by Franchisor. If it does, Franchisor must first obtain Landlord’s written approval of the assignee. Landlord, however, must neither unreasonably withhold nor delay its approval thereof. Landlord will acknowledge any such assignment in writing. No assignment permitted under this Section is subject to any assignment or similar fee or will cause any rental acceleration.
- 4. Right of First Refusal. Landlord hereby grants Franchisor the first right of refusal to lease the Premises as the new tenant upon the expiration or termination of the Lease. Franchisor shall have a period of 30 days after the expiration or termination of the Lease to decide whether to exercise its right of first refusal.
- 5. Expiration or Termination of Franchise Agreement. Landlord agrees that the expiration or termination of the Franchise Agreement shall constitute a default under the Lease, giving Franchisor the right, but not the obligation, to cure such default by succeeding to Tenant’s interests under the Lease in accordance with §2 above.

6. Acknowledgment of Rights. Landlord acknowledges Franchisor's rights under the Franchise Agreement to enter the Premises, without being guilty of trespass or any other tort or crime, to: (a) make any modifications or alterations to the Premises that Franchisor deems necessary to protect its franchise system or trademarks; and (b) remove any trade fixtures, interior or exterior signs and other items bearing Franchisor's trademarks or service marks upon the expiration or termination of the Franchise Agreement.
7. Modification of Lease. Landlord and Tenant will not amend, modify, supplement, terminate, renew or extend the Lease without Franchisor's written consent.
8. Miscellaneous.
 - (a) In the event of any inconsistency between the terms of this Agreement and the terms of the Lease, the terms of this Agreement control.
 - (b) All of the terms of this Agreement, whether so expressed or not, are binding upon, inure to the benefit of, and are enforceable by the parties and their respective personal and legal representatives, heirs, successors and permitted assigns.
 - (c) This Agreement may be amended, supplemented, waived or changed only by a written document signed by all the parties to this Agreement and making specific reference to this Agreement.
 - (d) This Agreement may be executed in one or more counterparts, each of which is an original, but all of which together constitute one and the same instrument.

In witness whereof, this Agreement has been executed the date and year first above written.

FRANCHISOR:

Cha Franchisor LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

LANDLORD:

_____, (a)n _____

By: _____
Name: _____
Title: _____

TENANT:

_____, (a)n _____

By: _____
Name: _____
Title: _____

EXHIBIT “A” TO LEASE ADDENDUM

DESCRIPTION OF PREMISES

[_____]

ATTACHMENT "D"
TO FRANCHISE AGREEMENT
FRANCHISE OWNER AGREEMENT

[See Attached]

FRANCHISE OWNER AGREEMENT

This Franchise Owner Agreement (this “Agreement”) is entered into by: (a) each of the undersigned owners of Franchisee (defined below); and (b) the spouse of each such owner who is a natural Person, in favor of Cha Franchisor LLC, a Delaware limited liability company, and its successors and assigns (“us”). Each signatory to this Agreement is referred to as “you”.

1. **DEFINITIONS.** Capitalized terms not defined above have the meanings given to them below, or if not defined below, the meanings given to them in the Franchise Agreement:

“Franchise Agreement” means the Cha Street Food Franchise Agreement executed by Franchisee with an effective date of _____, 202__.

“Franchisee” means _____.

“Restaurant” means any restaurant we authorize to operate under the Marks and use our System.

“Restricted Period” means the two (2) year period after the earliest to occur of the following: (a) the termination or expiration of the Franchise Agreement; (b) the date Franchisee assigns the Franchise Agreement to another Person with respect to whom neither you nor your spouse own an Equity Interest; or (c) the date neither you nor your spouse own an Equity Interest in the Business or Franchisee Entity; *provided however*, that if a court of competent jurisdiction determines this period of time is too long to be enforceable then Restricted Period means the one (1) year period after the earliest to occur of the following: (a) the termination or expiration of the Franchise Agreement; (b) the date Franchisee assigns the Franchise Agreement to another Person with respect to whom neither you nor your spouse own an Equity Interest; or (c) the date neither you nor your spouse own an Equity Interest in the Business or Franchisee Entity.

2. **BACKGROUND.** In your capacity as an Owner (or the spouse of an Owner) of Franchisee, you may gain knowledge of our System and Know-how. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees and you could seriously jeopardize our franchise system if you were to unfairly compete with us or misuse our Intellectual Property. In addition, you understand that certain terms of the Franchise Agreement apply to “Owners” and not just Franchisee. You agree to comply with this Agreement to: (a) avoid damaging our System by engaging in unfair competition; and (b) bind yourself to the terms of the Franchise Agreement applicable to Owners.

3. **BRAND PROTECTION COVENANTS.**

- (a) Intellectual Property and Confidential Information. You agree to: (i) refrain from using the Intellectual Property or Confidential Information in any capacity or for any purpose other than the operation of Franchisee’s Restaurant in compliance with the Franchise Agreement and Manual; (ii) at all times maintain the confidentiality of the Confidential Information; (iii) refrain from making unauthorized copies of documents containing Confidential Information; (iv) take all steps we reasonably require to prevent unauthorized use or disclosure of Confidential Information; and (v) immediately stop using the Intellectual Property and Confidential Information at such time that you are (or your spouse is) no longer an Owner. You agree to assign to us or our designee, without charge, all rights to any Improvement developed by you, including the right to grant sublicenses. If applicable Law precludes you from assigning ownership to us, then such Improvement shall be perpetually licensed by you to us free of charge, with full rights to use, commercialize and sublicense the same.
- (b) Unfair Competition. You shall not engage in any Prohibited Activities at any time: (i) that you are (or your spouse is) an Owner; or (ii) during the Restricted Period. Notwithstanding the foregoing, you may have an interest in a Competing Business during the Restricted Period as long as the Competing Business is not located within the Restricted Territory. If you engage in any Prohibited Activities during the Restricted Period (other than having an interest in a Competing Business permitted by this Section), your Restricted Period will be extended by the period of time during which you engaged in the Prohibited Activity. Any such extension of time will not constitute a waiver of your breach or impair any of our rights or remedies relating to your breach.
- (c) Family Members. You could circumvent the purpose of §3 by disclosing Confidential Information to

immediate family members (i.e., parent, sibling, child, or grandchild) and it would be difficult for us to prove your breach. For that reason you are presumed to have breached this Agreement if an immediate family member: (i) engages in any Prohibited Activities at any time that you are prohibited from doing so; or (ii) uses or discloses Confidential Information. However, you may rebut this presumption with evidence conclusively showing you did not disclose Confidential Information to the family member.

- (d) Covenants Reasonable. You agree that: (i) the covenants in §3 are reasonable in duration and geographic scope; and (ii) you have sufficient resources, business experience and opportunities to earn an adequate living while complying with these covenants. Although you and we believe the covenants in §3 are reasonable we may, upon written notice to you, unilaterally modify the brand protection covenants in §3 of this Agreement by limiting the scope of the Prohibited Activities, narrowing the definition of a Competing Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory and/or reducing the scope of any other covenant imposed upon you under §3 of this Agreement to ensure the covenants are enforceable under applicable Law.
- (e) Breach. You agree that: (i) any failure to comply with §3 is likely to cause substantial and irreparable damage to us and/or other franchisees for which there is no adequate remedy at law; and (ii) we are entitled to injunctive relief if you breach §3 together with any other relief available at equity or law. We will notify you if we intend to seek injunctive relief but we need not post a bond. If a court requires that we post a bond despite our mutual agreement to the contrary, the bond amount may not exceed \$1,000. No remedy available to us under this Agreement is exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages.

- 4. **TRANSFER RESTRICTIONS.** We must approve all Persons who own an Equity Interest in the Business or Franchisee Entity. If you are an Owner, you agree that you will not Transfer any Equity Interest in the Business or Franchisee Entity except in accordance with §19 of the Franchise Agreement.
- 5. **FINANCIAL SECURITY.** In order to secure Franchisee's financial obligations under the Franchise Agreement and all other Definitive Agreements (collectively, the "Secured Agreements") you hereby personally and unconditionally: (a) guarantee to us and our successors and assigns, that Franchisee shall punctually fulfil all of its payment and other financial obligations under the Secured Agreements; and (b) agree to be personally bound by, and personally liable for, each and every monetary provision in the Secured Agreements. You waive: (i) acceptance and notice of acceptance by us of the foregoing undertakings; (ii) notice of demand for payment of any indebtedness guaranteed; (iii) protest and notice of default to any party with respect to the indebtedness guaranteed; (iv) any right you may have to require that an action be brought against Franchisee or any other Person as a condition of liability; and (v) the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness hereby guaranteed. You agree that: (a) your direct and immediate liability under this guaranty is joint and several with Franchisee and all other signatories to this Agreement; (b) you will render any payment required under the Secured Agreements upon demand if Franchisee fails to promptly do so; (c) your liability is not contingent or conditioned upon our pursuit of any remedies against Franchisee or any other Person; and (d) your liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence we grant to Franchisee or any other Person, including the acceptance of any partial payment or performance, or the compromise or release of any Claims, none of which shall in any way modify or amend this guarantee, which remains continuing and irrevocable during the term of each Secured Agreement and following the termination, expiration or transfer of each Secured Agreement to the extent any financial obligations under a Secured Agreement survive such termination, expiration or transfer. This guaranty will continue unchanged by the occurrence of any bankruptcy of Franchisee or any assignee or successor of Franchisee or by any abandonment of one or more of the Secured Agreements by a trustee of Franchisee. Neither your obligation to make payment in accordance with the terms of this undertaking nor any remedy for enforcement will be impaired, modified, released or limited in any manner whatsoever by any impairment, modification, release or limitation of the liability of Franchisee or its estate in bankruptcy or of any remedy for enforcement, resulting from the operation of any present or future provision of the U.S. Bankruptcy Act or other statute, or from the decision of any court or agency.

6. **REPRESENTATION.** You represent to us that you received a copy of the executed Franchise Agreement.
7. **DISPUTE RESOLUTION.** Any dispute between the parties relating to this Agreement shall be brought in accordance with the dispute resolution provisions set forth in the Franchise Agreement, which are incorporated into this Agreement by reference as if fully set forth herein. **You acknowledge and agree that your breach of this Agreement constitutes a material event of default under the Franchise Agreement, permitting us to terminate the Franchise Agreement in accordance with its terms.**
8. **MISCELLANEOUS.**
- (a) If either party hires an attorney or files suit against the other party for breach of this Agreement, the losing party must reimburse the prevailing party for its reasonable attorneys' fees and costs.
 - (b) This Agreement is governed by the Laws of Delaware.
 - (c) Any Claim or defense you may have against us or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.
 - (d) Each section of this Agreement (and portion thereof) is severable. If any section (or portion thereof) is unenforceable, it shall not affect the enforceability of any other section (or portion thereof). A court may revise any provision of this Agreement to the extent necessary to make the provision enforceable.
 - (e) We may deliver to you any notice contemplated by this Agreement in the same manner and to the same address listed in the notice provision of the Franchise Agreement and any such delivery shall be deemed effective for purposes of this Agreement. You may change the address to which notices must be sent by sending us a written notice requesting such change, which notice shall be delivered in the manner and to the address listed in the Franchise Agreement.

Each of the undersigned has executed this Agreement as of the date or dates set forth below.

OWNER / SPOUSE

By: _____

Name: _____

Date: _____

OWNER / SPOUSE

By: _____

Name: _____

Date: _____

OWNER / SPOUSE

By: _____

Name: _____

Date: _____

OWNER / SPOUSE

By: _____

Name: _____

Date: _____

ATTACHMENT "E"
TO FRANCHISE AGREEMENT
ACH AUTHORIZATION FORM

[See Attached]

AUTOMATED CLEARING HOUSE PAYMENT AUTHORIZATION FORM

Franchisee Information:

Franchisee Name

Business No.

Franchisee Mailing Address (street)

Franchisee Phone No.

Franchisee Mailing Address (city, state, zip)

Contact Name, Address and Phone number (if different from above)

Franchisee Fax No.

Franchisee Email Address

Bank Account Information:

Bank Name

Bank Mailing Address (street, city, state, zip)

☐ Checking ☐ Savings

Bank Account No.

(check one)

Bank Routing No. (9 digits)

Bank Mailing Address (city, state, zip)

Bank Phone No.

Authorization:

Franchisee hereby authorizes Cha Franchisor LLC (“Franchisor”) to initiate debit entries to Franchisee’s account with the Bank listed above and Franchisee authorizes the Bank to accept and to debit the amount of such entries to Franchisee’s account. Each debit shall be made from time to time in an amount sufficient to cover any fees payable to Franchisor pursuant to any agreement between Franchisor and Franchisee as well as to cover any purchases of goods or services from Franchisor or any affiliate of Franchisor. Franchisee agrees to be bound by the National Automated Clearing House Association (NACHA) rules in the administration of these debit entries. Debit entries will be initiated only as authorized above. This authorization is to remain in full force and effect until Franchisor has received written notification from Franchisee of its termination in such time and in such manner as to afford Franchisor and the Bank a reasonable opportunity to act on it. Franchisee shall notify Franchisor of any changes to any of the information contained in this authorization form at least 30 days before such change becomes effective.

Signature: _____

Date: _____

Name: _____

Title: _____

Federal Tax ID Number: _____

NOTE: FRANCHISEE MUST ATTACH A VOIDED CHECK RELATING TO THE BANK ACCOUNT.

ATTACHMENT "F"
TO FRANCHISE AGREEMENT
CONFIDENTIALITY AGREEMENT

[See Attached]

CONFIDENTIALITY AGREEMENT

This Agreement (this “Agreement”) is entered into by the undersigned (“you”) in favor of Cha Franchisor LLC, a Delaware limited liability company, and its successors and assigns (“us”).

1. DEFINITIONS. Capitalized terms that are not defined above have the meanings given to them below:

“Business Data” means all data pertaining to Franchisee’s Restaurant, customers and business operations, whether collected by you, Franchisee, us or any other person.

“Confidential Information” means and includes: (a) Know-How; (b) Business Data; (c) information in the Manual or comprising the System; (d) terms of the Franchise Agreement (and related agreements) signed by Franchisee in connection with the Restaurant; and (e) all other concepts, ideas, trade secrets, financial information, marketing strategies, expansion strategies, studies, supplier information, customer information, franchisee information, investor information, flow charts, inventions, mask works, improvements, discoveries, standards, specifications, formulae, recipes, designs, sketches, drawings, policies, processes, procedures, methodologies and techniques, together with analyses, compilations, studies or other documents that are: (i) designated as confidential; (ii) known by you to be considered confidential by us; and/or (iii) reasonably to be considered confidential due to their nature. Confidential Information does not include information that: (a) is now, or subsequently becomes, generally available to the public (except as a result of a breach of confidentiality obligations by you, Franchisee or Franchisee’s owners, employees or other constituents); (b) you can demonstrate was rightfully in your possession, without obligation of nondisclosure, before we (or any person associated with us) or Franchisee (or any person associated with Franchisee) disclosed the information to you; (c) is independently developed by you without any use of, or reference to, any Confidential Information; or (d) is rightfully obtained from a third party who has the right to transfer or disclose the information to you without breaching a confidentiality covenant imposed on such third party.

“Copyrighted Materials” means all copyrightable materials for which we or our affiliate secure common law or registered copyright protection and that we allow franchisees to use, sell or display in connection with the marketing and/or operation of a Restaurant.

“Franchisee” means the CHA STREET FOOD™ franchisee for whom you are an employee or independent contractor.

“Improvement” means any idea, addition, modification or improvement to the (a) goods or services offered or sold at a Restaurant, (b) method of operation of a Restaurant, (c) processes, systems or procedures utilized by a Restaurant, (d) marketing, advertising or promotional materials, programs or strategies utilized by a Restaurant or (e) trademarks, service marks, logos or other intellectual property utilized by a Restaurant, whether developed by you, Franchisee, us or any other person.

“Intellectual Property” means, collectively or individually, the Business Data, Copyrighted Materials, Improvements, Know-how, Marks and System.

“Know-how” means and includes our (and our affiliates’) trade secrets and other proprietary information relating to the design, construction, development, marketing or operation of a Restaurant including, but not limited to: architectural plans, drawings and specifications for a prototype Restaurant; site selection criteria; recipes; methods and techniques; standards and specifications; policies and procedures; supplier lists and information; marketing strategies; merchandising strategies; and information comprising the System or included in the Manual.

“Manual” means our confidential brand standards manual for the operation of a Restaurant.

“Marks” means and includes all service marks, trademarks, trade names and logos that we designate from time to time and authorize Restaurants to use, including CHA STREET FOOD™ and the associated logos. The Marks also include any distinctive trade dress used to identify a Restaurant or the products it sells.

“Restaurant” means any restaurant we authorize to operate under the Marks and use our System.

“System” means our system developed for the operation of a Restaurant, the distinctive characteristics of which include: distinctive interior and exterior design, décor, signage, color scheme and other trade dress

elements; proprietary spices and mixes; comprehensive training programs; advertising and marketing strategies; merchandising strategies; and operating system.

2. **BACKGROUND.** You are an employee or independent contractor of Franchisee. As a result of this association, you may gain knowledge of our System and Know-how. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees and that you could seriously jeopardize our franchise system if you were to misuse our Intellectual Property. To avoid such damage, you agree to comply with the terms of this Agreement.
3. **INTELLECTUAL PROPERTY & CONFIDENTIAL INFORMATION.** You agree to: (a) refrain from using the Intellectual Property or Confidential Information in any business or for any purpose other than the operation of Franchisee's Restaurant; (b) maintain the confidentiality of Confidential Information at all times; (c) refrain from making unauthorized copies of documents containing Confidential Information; (d) take all steps we reasonably require to prevent unauthorized use or disclosure of Confidential Information; and (e) immediately stop using the Intellectual Property and Confidential Information at such time that you are no longer an employee or independent contractor of Franchisee. You agree to assign to us or our designee, without charge, all rights to any Improvement developed by you, including the right to grant sublicenses. If applicable law precludes you from assigning ownership to us, then such Improvement shall be perpetually licensed by you to us free of charge, with full rights to use, commercialize and sublicense the same.
4. **FAMILY MEMBERS.** You could circumvent the intent of this Agreement by disclosing Confidential Information to immediate family members (i.e., parent, sibling, child or grandchild) and it would be difficult for us to prove your breach. For that reason you are presumed to have breached this Agreement if an immediate family member uses or discloses Confidential Information. You may rebut this presumption with evidence conclusively showing you did not disclose Confidential Information to the family member.
5. **BREACH.** You agree that: (a) any failure to comply with this Agreement is likely to cause substantial and irreparable damage to us and/or other franchisees for which there is no adequate remedy at law; and (b) we are entitled to injunctive relief if you breach this Agreement together with any other relief available at equity or law. We will notify you if we intend to seek injunctive relief but we need not post a bond. If a court requires that we post a bond despite our mutual agreement to the contrary, the bond amount may not exceed \$1,000. No remedy available to us under this Agreement is exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages.
6. **MISCELLANEOUS.**
 - (a) If we hire an attorney or file suit against you for breach of this Agreement and we prevail, you must reimburse us for our reasonable attorneys' fees and costs.
 - (b) This Agreement is governed by the laws of Delaware. Any legal proceedings arising out of this Agreement must be brought exclusively in a court of competent jurisdiction in Fairfax County, Virginia.
 - (c) Each section of this Agreement (and portion thereof) is severable. If any section (or portion thereof) is unenforceable, it shall not affect the enforceability of any other section (or portion thereof). A court may revise any provision of this Agreement to the extent necessary to make the provision enforceable.

This Confidentiality Agreement is executed as of the date set forth below.

By: _____

Name: _____

Date: _____

EXHIBIT "D"
TO DISCLOSURE DOCUMENT
OTHER AGREEMENTS

EXHIBIT “D”-1

STATE ADDENDA

[See Attached]

STATE ADDENDA AND AMENDMENTS TO FRANCHISE AGREEMENT, SUPPLEMENTAL AGREEMENTS AND FRANCHISE DISCLOSURE DOCUMENT FOR CERTAIN STATES

BACKGROUND AND PURPOSE

The following modifications are made to the Cha Street Food Franchise Disclosure Document (“FDD” or “Disclosure Document”) issued by Cha Franchisor LLC (“we” or “us” or “franchisor”) to franchisee (“you” or “franchisee”) and may supersede certain portions of the Franchise Agreement between you and us dated _____, 202__ (the “Franchise Agreement”). When the term “Supplemental Agreements” is used, it means any area development agreement, area representative agreement, master franchise agreement, or similar agreement entered into between us and you, if applicable.

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

If your state requires these modifications, you will sign this State Addendum along with the Franchise Agreement and any Supplemental Agreements. If you sign this State Addendum, only the terms applicable to the state or states whose franchise laws apply to your transaction will govern. If you sign this State Addendum, but none of the state franchise laws listed above applies because their jurisdictional requirements have not been met, then this State Addendum will be void and inapplicable to you.

CALIFORNIA

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

1. The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the Franchise be delivered together with the Disclosure Document.
2. 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.
3. Neither the franchisor nor any person or franchise broker in Item 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.
4. The earnings claims figures do not reflect certain costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchise business. Franchisees or former franchisees listed in the Disclosure Document may be one source of this information.
5. 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 or Supplemental Agreement restricting venue to a forum outside the State of California.
6. The Franchise Agreement and Supplemental Agreements require application of the laws of Delaware. In accordance with Section 310.114.1, this provision may not be enforceable under California law.
7. The Franchise Agreement and Supplemental Agreements may provide for termination upon bankruptcy. Any such provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).
8. The Franchise Agreement and Supplemental Agreements contain a covenant not to compete which extends beyond the termination of the franchise. A contract that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code Section 16600.
9. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable. Any such provisions contained in the Franchise Agreement or Supplemental Agreements may not be enforceable.
10. In California, default interest is limited to 10% per annum.
11. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer, or non-renewal of a franchise. If the Franchise Agreement or Supplemental Agreements contain a provision that is inconsistent with the California Franchise Investment Law, the California Franchise Investment Law will control.
12. You must sign a general release of claims if you renew or transfer your Franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).
13. OUR WEBSITE (www.thechacompany.com) HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE

14. For franchisees operating outlets located in California, the California Franchise Investment Law and the California Franchise Relations Act will apply regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the Franchise Agreement or any amendment thereto or any agreement to the contrary is superseded by this condition.
15. 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 (a) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (b) 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 with the franchise.
16. Any provision of a franchise agreement, franchise disclosure document, acknowledgment, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:
 - (a) Representations made by the franchisor or its personnel or agents to a prospective franchisee.
 - (b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.
 - (c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.
 - (d) Violations of any provision of this division.

HAWAII

1. The following is added to the Cover Page:

THIS FRANCHISE WILL BE/HAS BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED IN THIS FRANCHISE DISCLOSURE DOCUMENT IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO YOU OR SUBFRANCHISOR AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY YOU OR SUBFRANCHISOR OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY YOU, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS FRANCHISE DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH US AND YOU.

2. Our registered agent in the state authorized to receive service of process:

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

3. The states in which this filing is effective are listed on the Exhibit to the FDD titled "State Effective Dates".
4. The states in which this filing is or will be shortly on file include the following:

5. The states, if any, which have refused, by order or otherwise, to register these franchises include the following: _____
6. The states, if any, which have revoked or suspended the right to offer these franchises include the following: _____
7. The states, if any, in which the filing of these franchises has been withdrawn include the following:

ILLINOIS

In recognition of the requirements of the Illinois Franchise Disclosure Act, 815 ILCS 705, the Disclosure Document and the Franchise Agreement and Supplemental Agreements are amended as follows:

1. Illinois law shall apply to and govern the Franchise Agreement and Supplemental Agreements.
2. In accordance with Section 4 of the Illinois Franchise Disclosure Act, any provision in the Franchise Agreement and Supplemental Agreements that designated jurisdiction and venue in a forum outside of the State of Illinois is void. However, the Franchise Agreement and Supplemental Agreements may provide for arbitration to take place outside of Illinois.
3. Your rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.
5. The Franchise Agreement and Supplemental Agreements are amended to state the following:

To the extent that any provision in the Illinois State Addendum is inconsistent with any provision in this Agreement, the provision in the Illinois State Addendum shall control.
6. 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 (a) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (b) 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.

INDIANA

In recognition of the requirements of the Indiana Franchise Disclosure Law, IC 23-2-2-2.5, the Franchise Agreement and Supplemental Agreements are amended as follows:

1. The laws of the State of Indiana supersede any provisions of the Disclosure Document, Franchise Agreement and Supplemental Agreements if such provisions are in conflict with Indiana law.
2. The Franchise Agreement and Supplemental Agreements are amended to provide that such agreements will be construed in accordance with the laws of the State of Indiana.
3. Any provision in the Franchise Agreement which designates jurisdiction or venue, or requires the franchisee to agree to jurisdiction or venue, in a forum outside of Indiana, is deleted from any Franchise Agreement and Supplemental Agreement issued in the State of Indiana.
4. The prohibition by Indiana Code § 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as material breach of the Franchise Agreement or Supplemental Agreement (as applicable), shall supersede the provisions of the Franchise Agreement or Supplemental Agreement (as applicable) in the State of Indiana to the extent they may be inconsistent with such prohibition.
5. The covenant not to compete that applies after the expiration or termination of the Franchise Agreement is hereby modified to the extent necessary to comply with Indiana Code 23-2-2.7-1(9).
6. Termination penalties are prohibited by law in the State of Indiana. Therefore, the Disclosure Document, the Franchise Agreement and Supplemental Agreements are amended to delete all references to any fees or other financial obligations that constitute termination penalties under Indiana law.
7. No release language set forth in the Disclosure Document or Franchise Agreement or Supplemental Agreement shall relieve franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana. Any provision in the Franchise Agreement or Supplemental Agreement that would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that such provision violates such law.
8. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (a) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (b) 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.

MARYLAND ADDENDUM TO FRANCHISE AGREEMENT

In recognition of the requirements of the Maryland Franchise Law, the Franchise Agreement is amended to add the following:

1. Any claims arising under the Maryland Franchise Law must be brought within three (3) years after the grant of the franchise.
2. Pursuant to COMAR 02.02.08.16L, the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Law.
3. You may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Law.
4. This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.
5. Any acknowledgements or representations by you that disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Maryland Law are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Law.
6. Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.
7. 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 (a) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (b) 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.

FRANCHISOR:

Cha Franchisor LLC

By: _____

Title: _____

Date: _____

FRANCHISEE:

By: _____

Title: _____

Date: _____

MARYLAND ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law (the “Maryland Franchise Law”), the Disclosure Document is amended as follows:

1. Item 5 of the Disclosure Document is amended to add the following:

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

2. Item 17 of the Disclosure Document is amended to add the following:

- a. The general release required as a condition of renewal, sale and/or assignment/transfer shall not apply any liability under the Maryland Franchise Registration and Disclosure Law.
- b. A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
- c. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
- d. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et seq.).
- e. This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

3. 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 (a) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (b) 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.

MICHIGAN

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

Each of the following provisions is void and unenforceable if contained in any document relating to a franchise:

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) The term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.
 - (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
 - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
 - (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.
- (h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if

the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000.00, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
CONSUMER PROTECTION DIVISION
Attention: Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48913
Telephone Number: (517) 373-7117

MINNESOTA

In recognition of the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Sections 80C.01 through 80C.22, and the Rules and Regulations promulgated pursuant thereto by the Minnesota Commission of Securities, Minnesota Rule 2860.4400, et. seq., the Disclosure Document, Franchise Agreement and Supplemental Agreements are amended as follows:

1. Minnesota Statute 80C.21 and Minnesota Rule 2860.4400(J) prohibit the franchiser from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statute 80C.21 or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
2. With respect to franchises governed by Minnesota law, the franchiser will comply with Minnesota Statute 80C.14 Subd. 3-5, which require (except in certain specified cases):
 - (a) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement; and
 - (b) that consent to the transfer of the franchise will not be unreasonably withheld.
3. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statute 80C.12 Subd. 1(G). The franchiser will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name.
4. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
5. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minnesota Rule 2860.4400(J) also, a court will determine if a bond is required.
6. The Limitations of Claims section must comply with Minnesota Statute 80C.17 Subd. 5.
7. NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.
8. 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 (a) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (b) 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 with the franchise.

NEW YORK

In recognition of the requirements of the General Business Laws of the State of New York, Article 33, §§680 through 695, the Disclosure Document, Franchise Agreement and Supplemental Agreements are amended as follows:

1. The following information is added to the cover page of the Disclosure Document:

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

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

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

- A. No such party has an administrative, criminal, or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.
- B. No such party has pending actions other than routine litigation incidental to the business that is significant in the context of the number of franchisees and the size, nature, or financial condition of the franchise system or its business operations..
- C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten years immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.
- D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; this proviso intends that the

nonwaiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied..

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

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

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

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

6. Franchise Questionnaires and Acknowledgments--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 (a) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (b) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
7. Receipts - Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

NORTH DAKOTA

In recognition of the requirements of the North Dakota Franchise Investment Law (the “North Dakota Franchise Law”), the Disclosure Document, Franchise Agreement and Supplemental Agreements are amended as follows:

1. Covenants not to compete are generally considered unenforceable in the State of North Dakota, pursuant to Section 51-19-09 of the North Dakota Franchise Law. Item 17(r) of the Disclosure Document and certain provisions in the Franchise Agreement and Supplemental Agreements include certain covenants restricting competition to which you must agree. The Commissioner has held that covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statute, are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Law. The Disclosure Document, Franchise Agreement and Supplemental Agreements are amended accordingly to the extent required by law.
2. Provisions requiring arbitration or mediation to be held at a location that is remote from the site of the franchisee’s business are generally considered unenforceable in the State of North Dakota, pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law. Accordingly, the parties must agree on the site where arbitration or mediation will be held.
3. Provisions requiring jurisdiction in a state other than North Dakota are generally considered unenforceable in the State of North Dakota, pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law.
4. Provisions requiring that agreements be governed by the laws of a state other than North Dakota are generally considered unenforceable in the State of North Dakota, pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law.
5. Provisions requiring your consent to liquidated or termination damages are generally considered unenforceable in the State of North Dakota, pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law.
6. Provisions requiring you to sign a general release upon renewal of the franchise agreement have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.
7. Provisions requiring you to pay all costs and expenses incurred by us in enforcing the franchise agreement have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Accordingly, any such provision is modified to read that the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney’s fees.
8. Provisions requiring you to consent to a waiver of trial by jury have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.
9. Provisions requiring you to consent to a limitation of claims within one year have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Accordingly, any such provision is modified to read that the statute of limitations under North Dakota Law will apply.
10. Provisions requiring you to consent to a waiver of exemplary and punitive damages have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Invest Law.
11. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (a) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (b) 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.

RHODE ISLAND

In recognition of the requirements of the Rhode Island Franchise Investment Act (the "Rhode Island Franchise Law"), the Disclosure Document, Franchise Agreement and Supplemental Agreements are amended as follows:

1. We will not require that you prospectively assent to a waiver, condition, stipulation, or provision that purports to relieve any person from liability imposed by the Rhode Island Franchise Law. This provision does not apply to the settlement of disputes, claims, or civil lawsuits brought under the Rhode Island Franchise Law.
2. Section 19-28.1-14 of the Rhode Island Franchise Law provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act." If a claim is enforceable under the Rhode Island Franchise Law, we will not restrict jurisdiction or venue to a forum outside the State of Rhode Island or require the application of the laws of another state.
3. We will not prohibit you from joining a trade association or association of franchisees. We will not retaliate against you for engaging in these activities.
4. Any provision in the Franchise Agreement that limits the time period in which you may assert a legal claim against us under the Rhode Island Franchise Law is amended to provide for a four (4) year statute of limitations for purposes of bringing a claim arising under the Rhode Island Franchise Law. Notwithstanding the foregoing, if a rescission offer has been approved by the Rhode Island director of business registration, then the statute of limitations is ninety (90) days after your receipt of the rescission offer.
5. 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 (a) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (b) 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.

VIRGINIA

In recognition of the requirements of the Virginia Retail Franchising Act, the Disclosure Document, Franchise Agreement and Supplemental Agreements are amended as follows:

1. Item 17 of the Disclosure Document is amended to add the following:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement or Supplemental Agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee/area developer to surrender any right given to him under the applicable agreement.

2. If any provision of the Franchise Agreement or any Supplemental Agreement involves the use of undue influence by the franchisor to induce a franchisee/area developer to surrender any rights given to him under the applicable agreement, that provision may not be enforceable.
3. We will not require that you prospectively assent to a waiver, condition, stipulation, or provision that purports to relieve any person from liability imposed by the Virginia Retail Franchising Act. This provision does not prohibit you and us from entering into binding arbitration consistent with the Virginia Retail Franchising Act.
4. Any provision in the Franchise Agreement or Supplemental Agreement that limits the time period in which you may assert a legal claim against us under the Virginia Retail Franchising Act is amended to provide for a four (4) year statute of limitations for purposes of bringing a claim arising under the Virginia Retail Franchising Act.
5. Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it shall be unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement or Supplemental Agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.
6. 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 (a) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (b) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

WASHINGTON

In recognition of the requirements of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW, the Disclosure Document, Franchise Agreement and Supplemental Agreements are amended as follows:

1. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW, will prevail.
2. RCW 19.100.180 may supersede the Franchise Agreement and Supplemental Agreements in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement and Supplemental Agreements in your relationship with the franchisor including the areas of termination and renewal of your franchise.
3. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
5. Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
6. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.
7. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (a) soliciting or hiring any employee of a franchisee of the same franchisor or (b) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.
8. The claims limitation provision in Section 22.5 of the Franchise Agreement does not apply to Washington franchisees.
9. 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 (a) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (b) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

WISCONSIN

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

(Signatures on following page)

APPLICABLE ADDENDA

If any one of the preceding Addenda for specific states (“**Addenda**”) is checked as an “Applicable Addenda” below, then that Applicable Addenda shall be incorporated into the Franchise Disclosure Document, Franchise Agreement, Supplemental Agreements (if applicable) and any other specified agreement(s) entered into by us and the undersigned franchisee. To the extent any terms of an applicable Addenda conflict with the terms of the Franchise Disclosure Document, Franchise Agreement, Supplemental Agreement (if applicable) and other specified agreement(s), the terms of the Applicable Addenda shall supersede the terms of the Franchise Agreement. We are responsible for checking the appropriate box or boxes.

- | | | |
|-------------------------------------|---------------------------------------|---------------------------------------|
| ☐ California | ☐ Michigan | ☐ South Dakota |
| ☐ Hawaii | ☐ Minnesota | ☐ Virginia |
| ☐ Illinois | ☐ New York | ☐ Washington |
| ☐ Indiana | ☐ North Dakota | ☐ Wisconsin |
| ☐ Maryland | ☐ Rhode Island | |

Dated: _____, 202____

FRANCHISOR:

Cha Franchisor LLC

By: _____

Name: _____

Title: _____

FRANCHISEE:

[_____]

By: _____

Name: _____

Title: _____

EXHIBIT “D”-2

FRANCHISEE DISCLOSURE QUESTIONNAIRE

[See Attached]

MAY NOT BE SIGNED OR USED IF FRANCHISEE RESIDES WITHIN, OR THE FRANCHISED BUSINESS WILL BE LOCATED WITHIN, A FRANCHISE REGISTRATION STATE¹

FRANCHISEE DISCLOSURE QUESTIONNAIRE

As you know Cha Franchisor LLC (“we” or “us”), and you are preparing to enter into a Franchise Agreement for the operation of a CHA STREET FOOD™ franchise. We require that you complete this Questionnaire (a) so that we can determine whether our franchise sales team followed proper sales procedures and (b) to provide us with reasonable assurance that, prior to signing the Franchise Agreement, you have had an adequate opportunity to review the Franchise Disclosure Document and its attachments, consult with legal and/or business advisors of your choosing, and ask us questions about any disclosures or terms that you do not understand. **You cannot sign or date this Questionnaire the same day as the Receipt for the Franchise Disclosure Document but you must sign and date it the same day you sign the Franchise Agreement and pay your franchise fee.** Please review each of the following questions carefully and provide honest responses to each question.

- | | | | |
|-------|------|-----|--|
| Yes__ | No__ | 1. | Have you received from us and personally reviewed the Franchise Agreement together with all of its attachments?
<i>[If you answer “no,” please explain in Explanation Section]</i> |
| Yes__ | No__ | 2. | Have you received from us and personally reviewed a Franchise Disclosure Document (“FDD”)?
<i>[If you answer “no,” please explain in Explanation Section]</i> |
| Yes__ | No__ | 3. | Did you sign a receipt for the FDD indicating the date you received it? |
| Yes__ | No__ | 4. | Do you understand all the information contained in the FDD and Franchise Agreement?
<i>[If you answer “no,” please identify any information you don’t understand in Explanation Section]</i> |
| Yes__ | No__ | 5. | Did you receive the FDD at least 14 calendar days before signing any agreement relating to the franchise (other than an NDA) or paying any money? |
| Yes__ | No__ | 6. | Did you receive a complete execution copy of the Franchise Agreement, with all material terms filled in, at least seven (7) calendar days before you signed it? |
| Yes__ | No__ | 7. | Have you reviewed the FDD and Franchise Agreement with a lawyer, accountant or other professional advisor? |
| Yes__ | No__ | 8. | Have you discussed the benefits and risks of developing and operating a CHA STREET FOOD™ franchise with an existing CHA STREET FOOD™ franchisee? |
| Yes__ | No__ | 9. | Do you understand the risks of developing and operating a CHA STREET FOOD™ franchise? |
| Yes__ | No__ | 10. | Do you understand the success or failure of your franchise will depend in part upon your skills, abilities and efforts and those of the persons you employ as well as many factors beyond your control such as competition, interest rates, the economy, inflation, labor and supply costs and other relevant factors? |
| Yes__ | No__ | 11. | Do you understand that the Franchise Agreement and the attachments to the Franchise Agreement contain the entire agreement between us and you concerning the franchise for the CHA STREET FOOD™ franchise, meaning any prior oral or written statements not set out in the Franchise Agreement or its attachments will not be binding? |

¹ Registration states include California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

Yes__ No__ 12. Did any of our employees or representatives, or any person speaking on our behalf, make any statement or promise regarding the costs involved in operating a CHA STREET FOOD™ franchise that is not contained in the FDD or that is contrary to, or different from, the information contained in the FDD?

[If you answer "yes," please describe the statement or promise in Explanation Section]

Yes__ No__ 13. Did any of our employees or representatives, or any person speaking on our behalf, make any statement or promise regarding the training, assistance or support that will be provided to you that is not contained in the FDD or that is contrary to, or different from, the information in the FDD?

[If you answer "yes," please describe the statement or promise in Explanation Section]

Yes__ No__ 14. Did any of our employees or representatives, or any person speaking on our behalf, make any statement or promise regarding the actual, average, projected or hypothetical profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a CHA STREET FOOD™ business may generate, other than any information included in Item 19 of the FDD?

[If you answer "yes," please describe the statement or promise in Explanation Section]

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

Signature of Franchise Applicant

Signature of Franchise Applicant

Name (please print)

Name (please print)

Dated _____

Dated _____

Signature of Franchise Applicant

Signature of Franchise Applicant

Name (please print)

Name (please print)

Dated _____

Dated _____

EXPLANATION SECTION

Please include any explanations below and refer to the applicable question number.

EXHIBIT “D”-3

GENERAL RELEASE

[See Attached]

WAIVER AND RELEASE OF CLAIMS

This Waiver and Release of Claims (this “Agreement”) is made as of _____, 202__ (the “Effective Date”) by _____, a(n) _____ (“you”) and each individual holding a direct or indirect ownership interest in you (collectively “Owner”) in favor of Cha Franchisor LLC, a Delaware limited liability company (“us,” and together with you and Owner, the “Parties”).

Background

- A. We signed a Franchise Agreement with you, dated _____, 202__ (the “Franchise Agreement”) pursuant to which we granted you the right to own and operate a CHA STREET FOOD™ restaurant.
- B. You have notified us of your desire to transfer the Franchise Agreement and all rights related thereto, or an ownership interest in the franchisee entity, to a transferee, [**enter into a successor franchise agreement**] and we have consented to such transfer [**agreed to enter into a successor franchise agreement**].
- C. As a condition to our consent to the transfer [**your ability to enter into a successor franchise agreement**], you and Owner have agreed to execute this Agreement upon the terms and conditions stated below.
- D. In consideration of our consent to the transfer [**our entering into a successor franchise agreement**], and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, you and Owner hereby agree as set forth below.

Agreement

- 1. Release. Owner, you, and each of your officers, directors, shareholders, members, owners, employees, agents, representatives, affiliates, parents, divisions, successors and assigns, and all persons or firms claiming by, through, under, or on behalf of any or all of them (the “Franchisee Parties”), hereby release, acquit and forever discharge us, any and all of our past and present affiliates, parents, subsidiaries and related companies, divisions and partnerships, consultants, advisors and franchise sellers and its and their respective past and present officers, directors, shareholders, members, owners, employees, agents, representatives, affiliates, parents, divisions, successors and assigns, and the spouses of such individuals (collectively, the “Franchisor Parties”), from any and all claims, liabilities, damages, expenses, actions or causes of action which any of the Franchisee Parties may now have or has ever had, whether known or unknown, past or present, absolute or contingent, suspected or unsuspected, of any nature whatsoever, directly or indirectly arising out of or relating to the execution and performance (or lack thereof) of the Franchise Agreement or the offer, sale or acceptance of the franchise related thereto (including, but not limited to any disclosures and representations made in connection therewith). The foregoing release shall not be construed to apply with respect to any obligations contained within this Agreement.
- 2. California Law. You and Owner hereby express your intention to release all existing claims, whether known or unknown, against the Franchisor Parties. Accordingly, you and Owner hereby waive §1542 of the California Civil Code, which provides the following:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.”

[Section 2 only applies for California franchisees; otherwise it is omitted]

- 3. Washington Franchise Law. The General Release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, or the rules adopted thereunder.

[Section 3 only applies for Washington franchisees; otherwise it is omitted]

- 4. Nondisparagement. Each of the Franchisee Parties expressly covenant and agree not to make any false representation of facts, or to defame, disparage, discredit or deprecate any of the Franchisor Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Franchisor Parties, the business conducted by any of the Franchisor Parties or the reputation of any of the Franchisor Parties.

Parties. For purposes of clarity, the obligations in this Section apply to all methods of communications, including the making of statements or representations through direct verbal or written communication as well as the making of statements or representations on the Internet, through social media sites or through any other verbal, digital or electronic method of communication. The obligations in this Section also prohibit the Franchisee Parties from indirectly violating this Section by influencing or encouraging third parties to engage in activities that would constitute a violation of this Section if conducted directly by a Franchisee Party.

5. Representations and Warranties. You and Owner each represent and warrant that: (a) [Insert franchisee entity name] is duly authorized to execute this Agreement and perform its obligations hereunder; (b) neither you nor Owner has assigned, transferred or conveyed, either voluntarily or by operation of law, any of their rights or claims against any of the Franchisor Parties or any of the rights, claims or obligations being terminated or released hereunder; (c) you and Owner have not and shall not (i) institute or cause to be instituted against any of the Franchisor Parties any legal proceeding of any kind, including the filing of any claim or complaint with any state or federal court or regulatory agency, alleging any violation of common law, statute, regulation or public policy premised upon any legal theory or claim whatsoever relating to the matters released in this Agreement or (ii) make any verbal, written or other communication that could reasonably be expected to damage or adversely impact any Franchisor Party's reputation or goodwill; and (d) the individuals identified as Owners on the signature pages hereto together hold 100% of the legal and beneficial ownership interests in [Insert franchisee entity name].
6. Communications with Governmental Authorities. Nothing in this Agreement shall restrict or be deemed to preclude you from disclosing truthful information to governmental authorities in response to any request for information you receive from them.
7. Miscellaneous.
 - (a) The Parties agree that each has read and fully understands this Agreement and that the opportunity has been afforded to each Party to discuss the terms and contents of said Agreement with legal counsel and/or that such a discussion with legal counsel has occurred.
 - (b) This Agreement shall be construed and governed by the laws of the State of Delaware.
 - (c) In the event that it shall be necessary for any Party to institute legal action to enforce, or for the breach of, any of the terms and conditions or provisions of this Agreement, the prevailing Party in such action shall be entitled to recover all of its reasonable costs and attorneys' fees.
 - (d) All of the provisions of this Agreement shall be binding upon and inure to the benefit of the Parties and their respective current and future directors, officers, partners, attorneys, agents, employees, shareholders and the spouses of such individuals, successors, affiliates, and assigns.
 - (e) This Agreement contains the entire agreement and understanding between the Parties with respect to the subject matter hereof and supersedes and is in lieu of all prior and contemporaneous agreements, understandings, inducements and conditions, expressed or implied, oral or written, of any nature whatsoever with respect to the subject matter hereof. This Agreement may not be modified except in a writing signed by each of the Parties.
 - (f) If one or more of the provisions of this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect or impair any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.
 - (g) The Parties agree to do such further acts and things and to execute and deliver such additional agreements and instruments as any Party may reasonably require to consummate, evidence, or confirm the transactions contemplated hereby.
 - (h) This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute but one document.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

FRANCHISEE:

[_____]

By: _____

Name: _____

Title: _____

FRANCHISE OWNERS:

Name: _____

Name: _____

Name: _____

EXHIBIT “D”-4

CONFIDENTIALITY AGREEMENT

[See Attached]

CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement (this “Agreement”) is entered into as of [____], 202[] by and between Cha Franchisor LLC, a Delaware limited liability company, and [____] (each, a “Party” and collectively, the “Parties”). For purposes of this Agreement, the term “Disclosing Party” shall refer to the Party disclosing Confidential Information (defined below) and the term “Receiving Party” shall refer to the Party receiving the Confidential Information from the Disclosing Party, as the case may be.

In connection with initial discussions relating to the potential acquisition of CHA STREET FOOD™ restaurant development rights (the “Business Relationship”), certain written or oral information which is non-public, confidential and proprietary in nature has been and will be disclosed between the Parties and/or their affiliates. All such information disclosed hereunder is collectively referred to as the “Confidential Information”, including, without limitation: (a) personal financial and other sensitive background information regarding the franchise applicant; (b) information pertaining to the CHA STREET FOOD™ franchise offering, system and/or network; (c) the design, equipping, layout, construction, development and/or trade dress of a CHA STREET FOOD™ restaurant; (d) the names of approved suppliers of equipment utilized at a CHA STREET FOOD™ restaurant (and the standards and specifications for such equipment); (e) the marketing and operation of a CHA STREET FOOD™ restaurant; and (f) concepts, ideas, trade secrets, financial information, marketing strategies, expansion strategies, studies, supplier information, customer information, investor information, flow charts, inventions, mask works, improvements, discoveries, standards, specifications, formulae, designs, sketches, drawings, policies, processes, procedures and techniques, together with analyses, compilations, studies or other documents prepared by Disclosing Party, its representatives (including attorneys, accountants, and financial advisors) or employees which contain or otherwise reflect such information. All information in the franchisor’s Manual is confidential. As a condition and in consideration of the disclosure and receipt of the Confidential Information, the Parties agree to the following provisions of this Agreement.

1. The Parties hereby agree that the Confidential Information will not be used by the Receiving Party in any way detrimental to the Disclosing Party. The Parties also agree that, except to the extent permitted by Disclosing Party in writing, the Confidential Information will be used solely for the purpose of evaluating the contemplated acquisition of franchise rights, and that such information will be kept confidential by the Receiving Party and its advisors and employees; *provided, however*, that (a) any such information may be disclosed to the Receiving Party’s affiliates, directors, officers and advisors who have a legitimate need to know such information (such persons are referred to as the “Other Recipients”) and (b) any other disclosure of such information may only be made with the Disclosing Party’s prior written consent. It is understood that any Other Recipients shall be informed by the Receiving Party of the confidential nature of such information and shall be directed by the Receiving Party to treat such information confidentially in accordance with this Agreement. The Receiving Party will be responsible for any damages to the Disclosing Party if any of the Other Recipients fail to treat the Confidential Information confidentially as required by this Agreement.
2. In the event that the Receiving Party or any of the Other Recipients become legally compelled to disclose any of the Confidential Information, the Receiving Party shall provide the Disclosing Party with prompt prior written notice so that the Disclosing Party may seek a protective order or other appropriate remedy or waive compliance with the terms of this Agreement. In the event that such protective order or other remedy is not obtained, or that the Disclosing Party waives compliance with the provisions hereof, the Receiving Party agrees to furnish only that portion of the Confidential Information which is legally required to be furnished and to exercise its best efforts to obtain assurance that confidential treatment will be accorded such Confidential Information.
3. Confidential Information shall not include information which: (a) is now, or hereafter becomes, generally known or available to the public through no breach of this Agreement by the Receiving Party; (b) was in the possession of the Receiving Party without restriction as to use or disclosure before receiving such information from the Disclosing Party; (c) is acquired by the Receiving Party from a source other than the Disclosing Party without breach of any obligation of confidentiality owing to the Disclosing Party of which the Receiving Party has knowledge; or (d) is independently developed by the Receiving Party without use of or reference to any Confidential Information.
4. The Parties acknowledge and agree that in the event of any breach of the obligations imposed by this Agreement, the Disclosing Party may be irreparably and immediately harmed. Accordingly, it is agreed that the Disclosing

Party, in addition to any other remedy to which it may be entitled in law or equity, shall be entitled to an injunction or injunctions to prevent breach of this Agreement and/or to compel specific performance of this Agreement. The Disclosing Party may apply for such injunctive relief, without bond, but upon due notice, in addition to any other relief available at equity or law. If a court requires the filing of a bond notwithstanding the preceding sentence, the Receiving Party agrees that the amount of the bond shall not exceed \$1,000. If an injunction is wrongfully issued: (a) the Receiving Party's sole remedy shall be dissolution of the injunction; and (b) the Receiving Party waives any right to seek monetary damages resulting from the wrongful issuance of the injunction. If the Disclosing Party brings a legal action or other proceeding to enforce the terms of this Agreement or otherwise incurs legal fees to enforce a breach of this Agreement, the Disclosing Party shall be entitled to recover its reasonable attorneys' fees and costs incurred in connection with such proceeding or enforcement efforts.

5. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware. Each Party unconditionally and irrevocably: (a) consents to the jurisdiction of the courts of the State of Virginia in connection with any legal proceedings arising from or relating to this Agreement or the enforcement or interpretation of the terms hereof; and (b) waives any objection to such venue.
6. If a Party has been advised in writing by the other Party or its authorized representatives that discussions with respect to the contemplated acquisition of franchise rights have been terminated, or at any time upon the written request of the Disclosing Party, the Receiving Party and Other Recipients shall promptly destroy or redeliver to the Disclosing Party all written materials that include or otherwise reflect any Confidential Information and will not retain any copies, extracts, or other reproductions in whole or in part of such written material. However, the franchisor may retain copies of the completed application and associated documentation for its files.
7. It is further understood and agreed that no failure or delay by a Disclosing Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision hereof, which shall remain in full force and effect.
8. Each Party hereby agrees that no provision in this Agreement can be waived or amended except by written consent of the other Party.
9. The covenants of confidentiality set forth herein shall continue and must be maintained from the date hereof until such time that the Confidential Information no longer qualifies as Confidential Information under §3. If the Parties sign a Franchise Agreement, the confidentiality provisions set forth in the Franchise Agreement (and any ancillary agreements executed in connection with the Franchise Agreement) shall: (a) supersede this Agreement and govern confidentiality matters on a going forward basis; and (b) apply retroactively to any Confidential Information disclosed between the Parties pursuant to this Agreement, but prior to execution of the Franchise Agreement.

In witness whereof, the Parties have entered into this Agreement on the date set forth above.

Cha Franchisor LLC

[_____]

By:_____

By:_____

Name:_____

Name:_____

Title:_____

Title:_____

EXHIBIT "E"
TO DISCLOSURE DOCUMENT
LIST OF FRANCHISEES

Part A (Current Franchisees)

The following table lists franchisees that were open as of December 31, 2024.

FRANCHISEES OPEN AS OF DECEMBER 31, 2024				
State	City	Address	Phone	Owner Name(s)
None				

The following table lists franchisees with signed franchise agreements that were not open as of December 31, 2024.

FRANCHISEES NOT OPEN AS OF DECEMBER 31, 2024				
State	City	Address	Phone	Owner Name(s)
None				

Part B (Former Franchisees Who Left System During Prior Fiscal Year)

State	City	Current Business Phone or Last Known Home Phone	Owner Name(s)
None			

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

EXHIBIT "F"
TO DISCLOSURE DOCUMENT
FINANCIAL STATEMENTS

THESE FINANCIAL STATEMENTS HAVE BEEN PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THEIR CONTENT OR FORM.

CHA Franchisor LLC
Balance Sheet Comparison
As of November 30, 2025

	As of Nov 30, 2025	Total As of Dec 31, 2024 (PP)	Change
ASSETS			
Current Assets			
Bank Accounts			
Bank of America (6047)	5,000.00	0.00	5,000.00
Total Bank Accounts	<u>\$ 5,000.00</u>	<u>\$ 0.00</u>	<u>\$ 5,000.00</u>
TOTAL ASSETS	<u>\$ 5,000.00</u>	<u>\$ 0.00</u>	<u>\$ 5,000.00</u>
LIABILITIES AND EQUITY			
Liabilities			
Other Current Liabilities			
Loan from Cha Company	28,530.63	10,606.29	17,924.34
Total Other Current Liabilities	<u>\$ 28,530.63</u>	<u>\$ 10,606.29</u>	<u>\$ 17,924.34</u>
Total Current Liabilities	<u>\$ 28,530.63</u>	<u>\$ 10,606.29</u>	<u>\$ 17,924.34</u>
Total Liabilities	<u>\$ 28,530.63</u>	<u>\$ 10,606.29</u>	<u>\$ 17,924.34</u>
Equity			
Retained Earnings	-10,606.29	0.00	-10,606.29
Net Income	-12,924.34	-10,606.29	-2,318.05
Total Equity	<u>-\$ 23,530.63</u>	<u>-\$ 10,606.29</u>	<u>-\$ 12,924.34</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 5,000.00</u>	<u>\$ 0.00</u>	<u>\$ 5,000.00</u>

CHA Franchisor LLC
Profit and Loss
January - November 2025

	Jan - Nov 2025	Total Jan - Dec 2024 (PY)	Change
INCOME			
Franchise Income	0.00	0.00	0.00
Total INCOME	\$ 0.00	\$ 0.00	\$ 0.00
COST OF GOODS SOLD			
Cost of Goods Sold	0.00	0.00	0.00
Total COST OF GOODS SOLD	\$ 0.00	\$ 0.00	\$ 0.00
Gross Profit	\$ 0.00	\$ 0.00	\$ 0.00
EXPENSES			
Admin Expense	0.00	7,959.58	-7,959.58
Bank Fees and Charges	0.00	26.90	-26.90
Licenses and Fees	0.00	125.00	-125.00
Marketing Expense	0.00	49.00	-49.00
Meals and Entertainment	0.00	1,341.86	-1,341.86
Office Expense	0.00	365.16	-365.16
Travel	0.00	738.79	-738.79
Legal Fees	12,924.34	0.00	12,924.34
Total EXPENSES	\$ 12,924.34	\$ 10,606.29	\$ 2,318.05
Net Income	-\$ 12,924.34	-\$ 10,606.29	-\$ 2,318.05

Balance Sheet As of February 27, 2025

	Total
ASSETS	
Other Current Assets	0.00
Checking Account	\$ 5,000
Total Current Assets	<u>5,000</u>
TOTAL ASSETS	<u>\$ 5,000</u>
LIABILITIES AND EQUITY	
Liabilities	
Accrued Liabilities	0
Current Liabilities	0
Total Liabilities	<u>\$ 0</u>
Equity	
Retained Earnings	0
Net Income	0
Suhail Investment	5,000
Total Equity	<u>5,000</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 5,000</u>

EXHIBIT "G"
TO DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES

State Effective Dates

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

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

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

EXHIBIT "H"
TO DISCLOSURE DOCUMENT

RECEIPTS

[See Attached]

RECEIPT

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 Cha Franchisor LLC offers you a franchise, it must provide this Disclosure Document to you 14 days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Cha Franchisor LLC 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency listed in EXHIBIT "A" to this Disclosure Document.

The franchise seller(s) involved with the sale of this franchise is/are:

____ Suhail Kamran; 2966 Cashel Lane, Vienna, Virginia 22181; (646) 812-0022

____ [_____]

____ [_____]

Issuance Date: February 27, 2025 (amended August 18, 2025)

Cha Franchisor LLC's agent to receive service of process is listed in EXHIBIT "A" to this Disclosure Document (for franchise registration states) or EXHIBIT "B" to this Disclosure Document (for all other states).

I received a Franchise Disclosure Document that included the following Exhibits:

EXHIBIT "A"	List of State Administrators and Agents for Service of Process
EXHIBIT "B"	Agent for Service of Process
EXHIBIT "C"	Franchise Agreement
EXHIBIT "D"	Other Agreements
EXHIBIT "D"-1	State Addenda
EXHIBIT "D"-2	Franchisee Disclosure Questionnaire
EXHIBIT "D"-3	General Release
EXHIBIT "D"-4	Confidentiality Agreement (for franchise applicants)
EXHIBIT "E"	List of Franchisees
EXHIBIT "F"	Financial Statements of Cha Franchisor LLC
EXHIBIT "G"	State Effective Dates
EXHIBIT "H"	Receipts

Print Name

Date

(Signature) Prospective Franchise Owner

(This Receipt should be executed in duplicate. One Receipt must be signed and remains in the Franchise Disclosure Document as the prospective franchise owner's copy. The other Receipt must be signed and returned to Cha Franchisor LLC)

RECEIPT

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 Cha Franchisor LLC offers you a franchise, it must provide this Disclosure Document to you 14 days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Cha Franchisor LLC 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency listed in EXHIBIT "A" to this Disclosure Document.

The franchise seller(s) involved with the sale of this franchise is/are:

____ Suhail Kamran; 2966 Cashel Lane, Vienna, Virginia 22181; (646) 812-0022

____ [_____]

____ [_____]

Issuance Date: February 27, 2025 (amended August 18, 2025)

Cha Franchisor LLC's agent to receive service of process is listed in EXHIBIT "A" to this Disclosure Document (for franchise registration states) or EXHIBIT "B" to this Disclosure Document (for all other states).

I received a Franchise Disclosure Document that included the following Exhibits:

EXHIBIT "A"	List of State Administrators and Agents for Service of Process
EXHIBIT "B"	Agent for Service of Process
EXHIBIT "C"	Franchise Agreement
EXHIBIT "D"	Other Agreements
EXHIBIT "D"-1	State Addenda
EXHIBIT "D"-2	Franchisee Disclosure Questionnaire
EXHIBIT "D"-3	General Release
EXHIBIT "D"-4	Confidentiality Agreement (for franchise applicants)
EXHIBIT "E"	List of Franchisees
EXHIBIT "F"	Financial Statements of Cha Franchisor LLC
EXHIBIT "G"	State Effective Dates
EXHIBIT "H"	Receipts

Print Name

Date

(Signature) Prospective Franchise Owner

(This Receipt should be executed in duplicate. One Receipt must be signed and remains in the Franchise Disclosure Document as the prospective franchise owner's copy. The other Receipt must be signed and returned to Cha Franchisor LLC)