FRANCHISE DISCLOSURE DOCUMENT
(AREA REPRESENTATIVE)

FENG CHA

Cannect LLC
412 N. Bowser Rd.
Richardson TX 75081
Phone: (972) 762-1373
www.fengchausa.com
info@fengchausa.com

We offer to qualified individuals and entities the opportunity to become our Area Representative within a specific geographical area. An Area Representative will act as our agent to solicit new franchisees and provide pre-opening and ongoing support to Feng Cha franchisees in a defined geographical area. The total investment necessary to begin operation as an Area Representative is $138,500 to $179,200. This includes between $125,000 to $155,000 that must be paid to the franchisor and/or its affiliate.

This Disclosure Document summarizes certain provisions of your area representative agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the Franchisor, Attn: Franchise Department, 412 N. Bowser Rd., Richardson TX 75081, (972) 762-1373

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

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

ISSUANCE DATE: September 15, 2024

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 area representatives. You can find their names and contact information in Item 20 or Exhibit F.
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 D 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 franchise outlets.
Will my business be the only Feng Cha business in my area?	Item 12 and the "territory" provisions in the area representative 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 Feng Cha area representative?	Item 20 or Exhibit F lists current and former area representatives. 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 area representative 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 area representative business or may harm your area representative 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 area representative agreement may prohibit you from operating a similar business during the term of the area representative agreement. 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 area representative agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your area representative 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 area representative 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 area representative 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. **<u>Out-of-State Dispute Resolution</u>.** The area representative agreement requires you to resolve disputes with the franchisor by arbitration or litigation only in the then-current county and state where our corporate headquarters is located (currently, Dallas, Texas). Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate and/or litigate with the franchisor in the then-current county and state where our corporate headquarters is located than in your own state.

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

TABLE OF CONTENTS

Exhibits to Franchise Disclosure Document

ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Disclosure Document, “we”, “us” or “our” means Cannect, LLC, the franchisor. “You” means the person (or persons), corporation, partnership, limited liability company or other legal entity that is granted the Area Representative Business. All of the provisions of our Area Representative Agreement (a copy of which is attached as Exhibit B to this Disclosure Document) will apply to you and to each individual who signs the Guaranty. Each individual who signs the Guaranty must also agree to be bound by the confidentiality and non-competition covenants of the Area Representative Agreement.

<u>The Franchisor</u>

We are a Texas limited liability company formed in November, 2016. We do business only under our corporate name and maintain our principal business address at 412 N Bowser Rd, Richardson, TX 75081. Our agents for service of process, which vary by state, are identified in Exhibit A to this Disclosure Document.

We offer and sell franchises for the operation of franchised businesses (the “Feng Cha franchised business” or “the “Franchised Business”) under a separate disclosure document. Beginning in November, 2016, we began to offer franchises for Feng Cha franchised businesses and beginning in 2017, we began to offer Area Representative businesses. We have never offered franchises in any other line of business and have no other business activities.

<u>Parents, Predecessors and Affiliates</u>

We have no parent or predecessors.

We have affiliates under common ownership one of which is, OFFO, LLC, a Texas limited liability company, which is a principal supplier of certain FENG CHA items. We also operate a company-owned store, FENG CHA LAB LLC, a Texas limited liability company which engages in activities similar to those of our franchisees, and tests potential new concepts. You will not have a direct relationship to the intellectual property licensing company or the company-owned store, but you will deal directly with OFFO LLC, the supplier of certain FENG CHA items. Our officers, Zhongming Gao and Yan Chen, have ownership interests in OFFO LLC and FENG CHA LAB LLC. Each of our affiliates maintains is principal place of business at 412 N Bowser Rd, Richardson, TX 75081.

Our affiliates have not engaged in any other lines of business and have not offered franchises in any line of business.

Description of Area Representative Business

Although not a franchise, we offer area representative rights pursuant to area representative agreements granting the right to act as our authorized area representative for sales and development solely within the Granted Territory granted under the area representative agreements and to provide pre-opening and ongoing assistance to Feng Cha franchisees in the Granted Territory (the "Area Representative Business"). As an area representative, you will solicit and support franchises to be located in your Granted Territory. You will screen and qualify prospective franchisees and advertise locally for new franchisees within the Granted Territory**.** You will refer all qualified frachisee candidates to us. You will also be required to (a) provide franchisees with site selection assistance; (b) to provide franchisees with construction and pre-opening assistance; (c) provide franchisees with certain training; (d) provide franchisees with marketing and sales support; (e) provide franchisees with operational support and assistance; (f) to conduct on-site inspections; (g) conduct recurring performance and quality control assessments and instruction; and (h) to monitor and maintain franchisee relations and operations in compliance with the System requirements as designate by us and as may be modified by us from time to time.

An area representative must comply with all federal and state franchise laws (described below). Your right to solicit Feng Cha franchises for locations in your Granted Territory is non-exclusive. Therefore, we may recruit prospective franchisees and sell franchises in your Granted Territory. You will still earn a portion of the initial franchise fee for franchises that we sell in your Granted Territory. Because we do not approve a franchisee until we sign the franchise agreement, it is possible that you could pre-qualify a franchisee who ultimately selects a site outside of your Granted Territory and/or in another area representative's Granted Territory. In that case, you would not earn a portion of the initial franchise fee for the sale of that franchise or other ongoing fees.

While we rely on you to solicit, screen and interview franchisee candidates and to present us with those applicants whom you pre-qualify using our criteria, we make the final decision on whether we will sell a franchise to the candidates you present. If we approve the candidate, we and the candidate will sign a franchise agreement, and you are not a party to that contract.

Market and Competition

The business of soliciting and recruiting franchisees is a well-developed market. There are many different franchises operating in a wide range of business categories. A prospective franchisee may be interested in operating a business in a number of different related and unrelated categories.

As an area representative soliciting prospective franchisees to purchase Feng Cha franchises, you will compete with other franchise systems and independent franchise brokers, franchisors and sub-franchisors offering and selling franchises for related and unrelated businesses. These other franchise systems may include national chains, which may be larger with better financial resources and may be established longer, with better name recognition. The interest of prospective franchisees in purchasing Feng Cha franchises may be impacted by various shifts in local and national economic conditions.

We recommend that you consult with your own independent business advisors to evaluate these and other factors before deciding to invest in a Feng Cha area representative business.

Industry-Specific Laws and Regulations

The sale of franchises is governed by rules enacted by the Federal Trade Commission ("FTC"), 16 C.F.R. §§ 436.1 et seq. (the "FTC Rule"). You must comply with the disclosure requirements mandated by the FTC Rule. Further, in the states of California, Hawaii, Illinois, Indiana, Maryland, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin, if we do not qualify for an exemption, we are required to register the Disclosure Document before the offer or sale of any franchise. The Disclosure Document must be registered with the various authorities before the offer or sale of any franchise in that particular state. The States of New York and Washington require Area Representatives to register as franchise brokers. The states of California, Indiana, Maryland, Minnesota, New York, North Dakota, Rhode Island, South Dakota and Washington, also require that all advertising for the sale of franchises be registered with the state prior to publication or distribution. We shall provide you with an electronic copy of our applicable Disclosure Document, which you will use to sell franchises for us.

ITEM 2
BUSINESS EXPERIENCE

Zhongming Gao - Co-Founder and Co-CEO

Mr. Gao is our co-founder and co-CEO. He has served as such since our formation in 2016.

Yan Chen - Co-Founder and Co-CEO

Ms. Chen is our -founder and co-CEO.. She has served as such since our formation in 2016.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No information is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

If you qualify to become an area representative, you will pay us a lump sum, non-refundable Initial Fee when you sign the Area Representative Agreement that will be equal to $30,000 multiplied by the number of Feng Cha franchised businesses that you are required to sell (or own and operate) in the Granted Territory, as specified in the Development Schedule attached to your Area Representative Agreement. For example, the Initial Fee for a Development Schedule with 4 Feng Cha franchised businesses would be $120,000 ($30,000 x 4 = $120,000).

As a condition of qualifying to become an area representative you must purchase your own Feng Cha franchised business to operate as a prototype in your Granted Territory (the "Area Rep Area representative agreement"). You must execute a separate franchise agreement and pay us an initial franchise fee of $35,000 (which is in addition to the above Initial Fee for the Area Representative Agreement) prior to executing the Area Representative Agreement.

You will solicit, recruit, screen and interview prospective franchisees for us and assist franchisees with site selection and other ongoing support. We will pay you 50% of the initial franchise fee that we receive from a franchisee who buys a franchise in your Granted Territory subject to the following conditions: (i) both we and the franchisee sign the franchise agreement and the franchisee pays us the entire initial franchise fee; (ii) the sale is for a new Feng Cha franchise and is not a resale of an existing business by another franchisee; (iii) there are no outstanding sale contingencies, such as the initial franchise fee being paid into an escrow account; and (iv) you are in compliance with the Area Representative Agreement. You will not receive any portion of the initial franchise fee for any franchise agreement that you sign. You will also not receive any portion of the initial franchise fee for any Special Venue Locations (see Item 12 for more details).

Franchisees in the Granted Territory will pay us an ongoing Royalty Fee. You will receive 50% of the aggregate ongoing Royalty Fees that we receive from our franchisees in your Granted Territory. You will not receive any portion of any other fees paid to us by franchisees in the Granted Territory, including, without limitation, National Advertising Fee, renewal, and transfer fees. You also will not receive any portion of any fees paid to us for Special Venue Locations or from Feng Cha franchised businesses owned and operated by Franchisor or its affiliate(s).

ITEM 6
OTHER FEES

NAME OF FEE	AMOUNT	DUE DATE	REMARKS
Transfer Fee	25% of the then current initial franchise fee.	Prior to transfer.	Transfer Fee is paid to us. The transfer fee does not apply to transfers where the transferee is an entity controlled and owned by Area Representative. Seen Note 1.
Renewal Fee	50% of the then-current initial franchise fee.	Prior to renewal.	See Item 17 for a further explanation of renewal conditions. See Note 2.
Collection Costs, Attorneys' Fees and Interest	Will vary. Interest not less than 1.5% per month.	As incurred.	See Note 3
Indemnification	Amount of loss or damages plus costs.	As incurred.	See Note 4

Notes:

General: Unless otherwise stated, all fees are paid to us and are non-refundable. All fees are imposed uniformly. We reserve the right to collect all fees due to us through electronic funds.

Note 1 – Transfer Fee: An amount equal to twenty five percent of the then current initial franchise fee(s) being charged by us to System franchise owners multiplied by the number of Feng Cha franchised businesses that you are required to sell (or own and operate) in the Granted Territory, as specified in the Development Schedule attached to your Area Representative Agreement.

Note 2 – Renewal Fee: An amount equal to fifty percent of the then current initial franchise fee(s) being charged by us to System franchise owners multiplied by the number of Feng Cha franchised businesses which are in operation in the Granted Territory as of the date of renewal.

Note 3 – Collection Costs, Attorneys' Fees and Arbitration Fees: Except as described in the Area Representative Agreement, any claim or controversy arising out of, or related to, the Area Representative Agreement or the making, performance or interpretation of the Area Representative Agreement, will be settled by arbitration. Any claim not subject to the arbitration requirement will be litigated in the federal or state courts sitting in Dallas, Texas. In the event of arbitration or litigation, the prevailing party will be entitled to recover all costs of the arbitration or litigation, including the arbitrator's fee and attorneys' fees, interest and costs. Additionally, the arbitrators' award will include interest from the date of any damages incurred, and from the date of the award until paid in full, at a rate to be fixed by the arbitrator, but in no event less than 1.5% per month, or part of a month, from the date until paid. Each party must also pay to the prevailing party all damages, costs and expenses, including all court costs, arbitration costs, and reasonable attorneys' fees, incurred by the prevailing party in successfully enforcing any provision of the Area Representative Agreement (whether or not any arbitral or judicial proceedings are initiated), including the obtaining of injunctive relief. In addition, if we engage an attorney to collect any unpaid amounts (whether or not formal judicial proceedings are initiated), you must pay all reasonable attorneys' fees, court and/or arbitration costs and collection expenses incurred by us. If you are in breach or default of any non-monetary material obligation and we engage an attorney to enforce our rights (whether or not formal judicial proceedings are initiated), you must pay all reasonable attorneys' fees, court costs, arbitration, and/or litigation expenses incurred by us.

Note 4 – Hold Harmless and Indemnification: Under the Area Representative Agreement you must indemnify and hold us, our affiliates, and their respective officers, directors, agents and employees harmless against any and all claims, losses, costs, expenses, liability and damages arising directly or indirectly from, as a result of, or in connection with your business operations under the Area Representative agreement, as well as the costs, including attorneys' fees, of defending against them.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Fee (Note 1)	$90,000 - $120,000	Lump Sum	At signing of Area Representative Agreement	Us
Initial Fee for Area Rep Area representative agreement (Note 2)	$35,000	Lump Sum	At signing of Area representative agreement	Us
Computer (Note 3)	$900 - $1,500	As Agreed	Before opening, as incurred	Suppliers
Permits & Licenses (Note 4)	$100-$200	As Incurred	Before opening, as incurred	Governmental Authorities
Prepaid Insurance Premium (Note 5)	$1,500 - $2,000	Lump Sum	Before opening, as incurred	Insurance Carrier/Broker
Training (Note 6)	$2,500-$5,000	As Incurred	Before opening, as incurred	Food and lodging providers
Professional Fees	$3,500 - $5,000	As Incurred	Before opening, as incurred	Attorney, Accountant
Additional Funds (3 months) (Note 7)	$5,000 - $10,000	As Incurred	Before and after opening, as incurred	Your Employees, Suppliers and Creditors
TOTAL (Note 8)	**$138,500 - $179,200**			

NOTES*:*

Note 1: As explained in Item 5, this fee varies and is determined by the number of Feng Cha franchised businesses to be opened in the Granted Territory during the term of the Area Representative Agreement. The low end of the range is for a Development Schedule with a minimum of 3 Feng Cha franchised businesses to be opened in the Granted Territory and the high end of the range is for 4 Feng Cha franchised businesses to be opened in the Granted Territory.

Note 2: As a condition of qualifying to become an area representative you must purchase your own Feng Cha franchised business to operate as a prototype in your Granted Territory (the “Area Rep Area representative agreement”). You must execute a separate franchise agreement and pay us an initial franchise fee of $35,000 (which is in addition to the above Initial Fee for the Area Representative Agreement).

Note 3: This estimate includes the costs of purchasing the computer hardware and software required by the Area Representative Agreement. See Item 11 for a description of the computer system.

Note 4: The State of Washington and State of New York may require you to register as a franchise broker.

Note 5: You must purchase and maintain at your sole expense the insurance coverage that we specify. The cost of the business insurance coverage required by the Area Representative Agreement will vary from state to state and will depend on your prior loss experience, if any, and/or the prior loss experience of your insurance carrier in the state or locale in which you operate, and national or local market conditions. We anticipate that you will be required to pay your insurance carrier or agent a full annual premium in advance.

Note 6: The figure for training in the charts includes moderately priced lodging accommodations, food costs, and automobile mileage expense for you to attend our initial training program in Texas. These estimated costs will vary according to the living accommodations, travel arrangements and dining facilities used. If you reside in the Dallas/ Fort Worth area and commute to training, your training costs are likely to be less.

Note 7: We estimate that for a period of three months after the opening of your business you will need approximately $5,000 to $10,000 in additional funds for working capital. The estimated additional funds amounts do not include an owner's draw.

Note 8: We and our affiliates do not offer financing, directly, or indirectly for any part of the initial investment. In general, none of the expenses listed in the above chart are refundable, except any security deposits or utility deposits you must make may be refundable. We relied upon our historical experience in formulating these estimates. Your costs may vary based on a number of factors including but not limited to the geographic area of the Granted Territory, local market conditions, and your skills at operating a business. You should review these figures carefully with a business advisor before buying a franchise. You will receive a separate Franchise Disclosure Document for the development of the Feng Cha franchised business.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases.

We have the right to specify or require that you use certain brands, types, makes, and/or models of communications, computer systems, and hardware. Otherwise, there are no required purchases or suppliers. Currently, neither we nor our affiliates are an approved supplier to Area Representatives of any items and there are no approved suppliers for Area Representatives in which we or any of our officers, directors or affiliates own an interest.

Items for which we have neither designated nor approved suppliers must be purchased in accordance with our standards and specifications as described in the Confidential Operations Manual which you will be provided with, or otherwise. We have the right to modify specifications, standards, suppliers and approval criteria by providing you written notice. There is no limit on our right to do so.

We estimate that the current required purchases in accordance with our standards and specifications are approximately 1% of the cost to establish your Area Representative Business and approximately 10% of the ongoing operating expenses of your Area Representative Business.

Approval of New Suppliers or Items

If we designate one or more exclusive suppliers for a particular good or service, you may not request to utilize an alternative supplier. However, if an exclusive supplier has not been designated and you desire to purchase any item for which approval is required from a supplier that is not on our approved supplier list, you must request approval of the item or supplier in writing and we will evaluate the supplier and/or item for approval. Although we are not contractually bound to evaluate any supplier or item within a definite time period, we will make a good faith effort to evaluate the supplier or item and to notify you of approval or disapproval within 30 days from the date we receive your written request. There is no fee associated with approval requests.

Before approving any supplier, we may take into consideration: a) consistency of products and/or name brands, b) economies of scale achieved by larger volumes, c) delivery frequency and reliability, and d) certain other benefits that a particular supplier may offer, such as new product development capability. When approving a supplier, we take into consideration the System as a whole, which means that certain area representatives may pay higher prices than they could receive from another supplier that is not approved. We reserve the right to withhold approval of a supplier for any reason. We do not release our standards and specifications or criteria for supplier approval to System area representatives or approved/prospective suppliers. You may not purchase any item from any supplier for which approval is required until you have first received written notification of our approval. We may withdraw our approval at any time if any items or supplier's performance does not meet our criteria, we change our specifications, standards, requirements or other reasons.

Revenues of Franchisor and Affiliates

We, and our affiliates, may derive income or revenue from franchisee purchases. We and/or our affiliates have the right to receive payments from any supplier, manufacturer, vendor or distributor to Feng Cha franchisees within our franchise system and to use these monies without restriction, and as we deem appropriate. In our prior fiscal year, we received $22,155.67 for the sale of items to Feng Cha franchisees, and supplier rebates which was 1.9% of our revenues for the 2023 fiscal year.

You will not receive any portion of any income or revenue paid to us for franchisee purchases, whether such income or revenues are from direct sales by us or our affiliates to Feng Cha franchisees or from any payments received from any supplier, manufacturer, vendor or distributor.

Purchasing or Distribution Cooperatives

There are currently no purchasing or distribution cooperatives in existence for the Feng Cha System.

Material Benefits

We do not provide material benefits to area representatives, such as renewal rights or ability to purchase additional Granted Territories, based on your use of approved or designated sources.

Advertising

All advertising and promotion for the sale of Feng Cha franchises must conform to our specifications and standards and must be approved by us in advance. You must submit to us, for our approval, copies of all advertising and promotional materials, including but not limited to, business cards, signs, displays and mail outs.

Insurance Requirements

You must obtain and keep in force at a minimum the insurance we require in the Confidential System Manuals or otherwise. Such policy or policies shall be written by a responsible carrier or carriers acceptable to us, shall name us and our affiliates and their respective officers, directors, partners, agents and employees as additional insured parties as specified by us, and shall provide at least the types and minimum amounts of coverage as specified by us from time to time in the Confidential System Manuals or otherwise in writing. All policies must be primary and non-contributory, and must contain a waiver of subrogation in our favor. No insurance policy may be subject to cancellation, termination, non-renewal or material modification, except upon at least 30 days' prior written notice from the insurance carrier to us. Upon request, you must provide us with a currently issued certificate of insurance evidencing coverage in conformity with its requirements. We may increase or otherwise modify the minimum insurance requirements upon 30 days' prior written notice to you, and you must comply with any modification.

ITEM 9
FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.

	Obligation	Section in Area Representative Agreement	Item in Disclosure Document
a.	Site selection and acquisition/lease	Not Applicable	Items 6 and 11
b.	Pre-opening purchases/leases	Not Applicable	Items 7 and 8
c.	Site development and other pre-opening requirements	Not Applicable	Items 6, 7 and 11
d.	Initial and ongoing training	4(a)(i), 4(b)(ii)	Items 6, 7 and 11
e.	Opening	Not Applicable	Item 11
f.	Fees	5(a), 5(b), 5(c), 5(d)	Items 5, 6 and 7
g.	Compliance with standards and policies/Operating Manual	7 (introductory paragraph), 7(a); 8(a),8(b), 8(c), 8(d)	Items 8 and 11
h.	Trademarks and proprietary information	1(b), 1(c); 6(a), 6(b), 6(c); 9(d)	Items 13 and 14
i.	Restrictions on products/services offered	9(a)(vii)	Items 8 and 16
j.	Warranty and customer service requirements	Not Applicable	Item 11
k.	Territorial development and sales quotas	2(b), Exhibit 3	Item 12

Obligation		Section in Area Representative Agreement	Item in Disclosure Document
l.	Ongoing product/service purchases	Not Applicable	Item 8
m.	Maintenance, appearance and remodeling requirements	Not Applicable	Items 6 and 11
n.	Insurance	13(a), 13(b)	Items 6, 7 and 8
o.	Advertising	7(b), 7(c), 7(e), 7(f),	Items 6, 7 and 11
p.	Indemnification	15(a)	Item 6
q.	Owner's participation/management/staffing	Not Applicable	Items 11 and 15
r.	Records and reports	7(i)	Item 6
s.	Inspections/audits	Not Applicable	Items 6 and 11
t.	Transfer	10	Item 17
u.	Renewal	3(b)	Item 17
v.	Post-termination obligations	12(a), 12(c)	Item 17
w.	Non-competition covenants	9(b), 9(c), 9(d), 9(e	Item 17
x.	Dispute resolution	19(a), 19(b), 19(c), 19(d), 19(e)	Item 17

ITEM 10
FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligation.

We do not know if you will be able to obtain financing for all or part of your investment and, if so, what the terms of such financing will be. We do not receive direct or indirect payments for placing financing.

ITEM 11
FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

PRE-OPENING OBLIGATIONS

1. We will provide you initial training program as described in Item 11 of this disclosure document. (Sections 4(a)(i) and 4(b)(ii)); and

2. We will provide you with one (1) set of the Confidential Operations Manual (as defined in the Area Representative Agreement) which may be amended from time to time by us in our sole discretion for the term of the Area Representative Agreement. (Section 4(a)(ii) of the Area Representative Agreement). We may provide the Confidential Operations Manual solely through our website(s), and/or intranets, or other electronic means without any need to provide you with a paper copy or other physical format. Attached, as Exhibit E, is a copy of the table of contents of our Confidential Operations Manual as of the issuance date of this Disclosure Document. The number of pages and subjects in the Confidential Operations Manual are reflected in the table of contents.

OBLIGATIONS AFTER OPENING

After opening your business, we are obligated under the Area Representative Agreement to perform the following services:

1. We will use our best efforts to promptly process all franchise applications you provide to us. We will not unreasonably withhold our approval of a prospective franchisee you present to us, if the prospective franchisee meets our criteria for a Feng Cha franchisee (Section 4(b)(i) of the Area Representative Agreement); and

2. Provide our initial training program to all franchisees in your Granted Territory (Section 4(b)(ii) of the Area Representative Agreement); and

3. We may provide refresher training programs or seminars to all franchisees in your Granted Territory, including national and/or regional meetings.

4. Collect fees from all franchisees in the Granted Territory and pay to you your portion of these fees (Section 4(b)(iii) of the Area Representative Agreement).

TIME TO OPEN

We anticipate your business will be open within 90 days of signing the Area Representative Agreement. You may not open until you have satisfactorily completed our training program. You will not be required to open the business from a designated location.

ADVERTISING PROGRAMS

You must submit to us, for our prior approval, any and all advertising, promotional and/or marketing materials you prepare for the Area Representative Business. You may not use any disapproved or unapproved advertising, promotional and/or marketing materials.

Certain states require franchisee solicitation advertising materials to be filed with the state prior to their use. We will file all required advertising with such states (as applicable) and you may not use any advertising, promotional and/or marketing materials that have not been previously filed and approved by the applicable state.

Area Representatives are not required to participate in any advertising fund, any cooperatives or advertising council established by the Franchisor.

Website

We have the right, but not the obligation, to establish and maintain a Website, which may promote the Proprietary Marks and/or the System and/or the Feng Cha franchised businesses operating under the System. We will have the sole right to control all aspects of the Website, including without limitation its design, content, functionality, links to other websites, legal notices, and policies and terms of usage. We will also have the right to discontinue operation of the Website at any time without notice to you.

Except as we approve in advance in writing, you may not establish or maintain a separate Website, or otherwise maintain a presence or advertise on the Internet (including any social media or blogs) or any other public computer network in connection with your business under the Area Representative Agreement. If we grant written approval, you must establish and operate your Website, social media sites or blogs in accordance with our standards and policies provided to you in the Manuals or otherwise in writing

COMPUTER SYSTEM

We have the contractual right to develop a computer system for use in connection with the Area Representative Business. You must acquire computer hardware equipment, software, telecommunications infrastructure products and support services we require in connection with the operation of your Area Representative Business and all additions, substitutions and upgrades we specify.

You must have a mobile telephone, a business telephone, an operating fax machine, email address and a laptop computer with the software and computer accessories we require. The mobile phone number, the business phone number, the fax number and email address must be given to each franchisee in your Granted Territory and to us.

We will have the right to access information and data collected by the computer system or otherwise related to the operation of your Area Representative Business. You must allow us to access the information remotely. There is no contractual limitation on our right to access this information and data. (Section 7(i) of the Area Representative Agreement).

We estimate that your cost to purchase a designated computer system will range from $900 to $1,500.

You must upgrade or update your computer equipment and software. There is no contractual limitation on the frequency or cost of required updates or upgrades. In addition to any charges imposed by computer hardware and software vendors, we may charge you a reasonable systems fee for modifications and enhancements we or our vendors or representatives make to proprietary software and for other maintenance and support services that we may furnish to you.

TRAINING PROGRAM

INITIAL TRAINING PROGRAM

SUBJECT	HOURS OF TRAINING	HOURS OF HANDS ON TRAINING	TRAINING LOCATION
Franchise Sales Compliance	2 Hours		Dallas, TX
Feng Cha Franchise Disclosure Document (FDD)	2 Hours		Dallas, TX
Feng Cha Franchise Opportunity Evaluation Process and Checklist	1 Hour		Dallas, TX
Feng Cha Franchise Opportunity Brand Overview	1 Hour		Dallas, TX

SUBJECT	HOURS OF TRAINING	HOURS OF HANDS ON TRAINING	TRAINING LOCATION
Feng Cha Franchised business Daily Operations	8-10 hours		Dallas, TX

Our initial training program currently lasts approximately 3 days and is currently conducted on an as-needed basis in Dallas, TX and generally will be scheduled within 60 days after you sign the Area Representative Agreement. We reserve the right to conduct any portion of the initial training program virtually. Our initial training program must be completed by you (or your operating principal (who must be an owner) if you are an entity) to our satisfaction not later than 15 days before you open for business. We may, but are not required to, offer the initial program to additional owners if you have more than one. The instructional material used includes our Operations Manual, marketing and promotion materials and any other materials that we believe will be beneficial to you in the training process. All training is provided under the supervision of our co-founders Yan Chen and Zhongming Gao, each of whom have over 8 years of experience in the subjects being taught.

You and other employees must also attend such additional courses, seminars, conventions and programs as we may reasonably require from time to time. All training will be conducted at times, dates and places as we designate and will be subject to the availability of our personnel.

At the current time, the initial training program is provided to you at no additional cost. However, you or your employees will be responsible for any and all expenses incurred by you in connection with any training, courses, seminars, conventions and programs, including, costs of accommodations, meals, wages and travel, as well as worker's compensation insurance. We have the right to provide any training program through seminars, lectures, classes, Internet-based programs, conference calls, or other methods.

ITEM 12
TERRITORY

Under the Area Representative Agreement, we grant you the right to solicit and service Feng Cha franchisees in the Granted Territory that is specified in the Area Representative Agreement. The Granted Territory will be designated by contiguous zip codes, street or county boundaries, or other similar methods, and may be depicted on a map. The actual size of the Granted Territory will vary depending upon the availability of contiguous markets, our long range development plans, your financial and operational resources, population and market conditions. Our designation of a particular Granted Territory is not an assurance or warranty that there are a sufficient number of suitable number of prospective franchisees for Feng Cha franchised businesses in the Granted Territory for you to meet your Development Schedule. The responsibility to locate prospective franchisees and suitable sites is solely yours and we have no obligation to approve prospective sites or franchisees which do not meet our criteria in order for you to meet the Development Schedule.

Although you will receive a protected 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. We and/or our affiliates reserve all other rights with respect to the Granted Territory, which include but are not limited to: (i) the right to own, operate, franchise or license, both within and outside the Granted Territory, franchised businesses and similar businesses operating under names other than the Proprietary Marks, regardless of whether or not these other concepts offer products and services which are similar to or competitive with those offered by Feng Cha franchised businesses and (ii) the right to distribute products and services (which may include, but are not limited to, clothing, books, food, videos, and music), in alternative channels of distribution whether now existing or developed in the future, identified by the Proprietary Marks or other marks we and/or our affiliates own or license, through any distribution method we or our affiliates may establish, and may franchise or license others to do so, both within and outside the Granted Territory, regardless of whether the offering of products or services in the other channels of distribution compete with any Feng Cha franchised business (which alternative channels of distribution include but are not limited to: sales of services and products at or through mail order, catalog, tele-marketing, direct mail marketing, or via the internet, and any similar outlets or distribution methods). We also reserve the right to establish and operate, and license other parties to establish and operate Feng Cha franchised businesses in colleges, universities, hotels, casinos, business complexes, regional malls, airports, military bases and other similar outlets (the “Special Venue Locations”) in the Granted Territory.

We have the right to terminate the protection of your Granted Territory if you are not in full compliance with all of the terms and conditions of the Area Representative Agreement and/or any of the franchise agreements for Feng Cha franchised businesses owned by you.

To maintain your rights under the Area Representative Agreement there must be open and in operation the cumulative number of Feng Cha franchised businesses as stated on the Development Schedule, by the dates agreed upon in the Development Schedule.

In addition, upon the earlier of the expiration of the term of the Area Representative Agreement or upon the execution of an area representative agreement for the last Feng

Cha franchised business to be developed within the Granted Territory, whether owned and operated by you or sold to a third party franchisee, your rights under the Area Representative Agreement with respect to developing franchises within the Granted Territory will terminate and we will have the right to operate and to grant to others development rights and franchises to develop and operate Feng Cha franchised businesses within the Granted Territory. The Granted Territory may not be altered unless we and you mutually agree to do so. It will not be affected by your sales volume. You are not granted any other option, right of first refusal or similar right to acquire additional franchises or additional area representative rights in your Granted Territory under the Area Representative Agreement.

There are no minimum sales goals, market penetration or other contingency that you must meet to keep the exclusivity of your Granted Territory, except that you must meet your Development Schedule.

You will receive a portion of the initial franchise fee (50%) on franchise sales within your Granted Territory regardless of whether those sales are initiated by us or by you, except to the extent the sales are to you or are located in Special Venue Locations.

ITEM 13
TRADEMARKS

The following is the principal trademarks that we will currently license to you (the "Proprietary Marks").

Mark	Registration Number	Registration Date	Classes
FENG CHA	5514563	July 10, 2018	IC 043
FENG CHA TEAHOUSE	5579214	October 9, 2018	IC 043
FENG CHA	6296253	March 16, 2021	IC 030
DIRTY BOBA	Serial No. 98131671	Pending	IC 030

As of the date of this Franchise Disclosure Document Franchisor does not have a federal registration for one of its Marks. Therefore, one of Franchisor's Marks does not have many legal benefits and rights as a federally registered trademark. If Franchisor's right to this trademark above are challenged, Franchisee may have to change to alternative trademarks, which may increase Franchisee's expenses.

We also own and claim common law trademark rights in the trade dress used in the Franchised Business. Our common law trademark rights and trade dress are also included as part of the Proprietary Marks.

We intend to file an affidavit of use, an affidavit of incontestability and any and all renewals when due for the Proprietary Marks.

There are no currently effective determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court involving the Proprietary Marks, nor any pending infringement, opposition, or cancellation proceedings or material litigation involving the Proprietary Marks. There are no agreements currently in effect that significantly limit our right to use or license the use of the Proprietary Marks in any manner material to the Area Representative Business. Other than the rights of our affiliate, described above, we are not aware of any superior rights that could affect your use of the Proprietary Marks.

Your rights to the Proprietary Marks are derived solely from your Area Representative Agreement. Your may only reference the Proprietary Marks as those which we may license prospective franchise owners to use in connection with a Feng Cha franchised business. Otherwise, you have no other rights to the Proprietary Marks. In using the Proprietary Marks, you must strictly follow our rules, standards, specifications, requirements and instructions which may be modified by us in our discretion. All goodwill associated with the Proprietary Marks remains our exclusive property. You may not use the Proprietary Marks in any way not explicitly authorized by the Area Representative Agreement. When your Area Representative Agreement expires or terminates, all rights for you to use the Proprietary Marks shall cease and you shall not maintain any rights to use any Proprietary Mark.

You cannot use the Proprietary Marks (or any variation of the Proprietary Marks) as part of a corporate name or with modifying words, designs or symbols except for those which we license to you. You may not use our registered name in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us. You may not apply for any trademark or service mark.

In the event of any infringement of, or challenge to, your use of any of the Proprietary Marks, you must immediately notify us, and we will have sole discretion to take such action as deemed appropriate. We will indemnify and hold you harmless from any suits, proceedings, demands, obligations, actions or claims, including costs and reasonable attorneys' fees, for any alleged infringement under federal or state trademark law arising solely from your authorized use of the Proprietary Marks in accordance with the Area Representative Agreement or as otherwise set forth by us in writing, if you have notified us promptly of the claim. We reserve the right, under the Area Representative Agreement, to substitute different Proprietary Marks for use in identifying the System and the businesses operating under the System if the current Proprietary Marks no longer can be used, or if we, in our sole discretion, determine that substitution of different Proprietary Marks will be beneficial to the System. If we substitute any of the

Proprietary Marks, you must bear the cost and expense of all substitutions at the Area Representative Business (for example, changing stationary, business cards, etc.).

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

No patents or patent applications are material to the Area Representative Business.

We claim common law protection and copyrights for many aspects of our business including, without limitation, our Confidential Operations Manual and other manuals, advertising and promotional materials, our training materials and programs, and our websites. We have not registered these copyrights with the United States Copyright Office, but need not do so at this time to protect them.

There are no currently effective determinations of the United States Copyright Office or any court, nor any pending litigation or other proceedings, regarding any copyrighted materials. We do not know of any superior prior rights or infringing uses that could materially affect your use of our copyrighted materials.

Confidential Information

You must treat the confidential information as confidential and use all reasonable efforts to maintain this information as secret and confidential.

You may never during the term, including any renewal, of the Area Representative Agreement, or after the Area Representative Agreement expires or terminates, reveal any of our confidential information to another person or entity, or use our confidential information for the benefit of any other person or entity. You may not copy any of our confidential information except as we may authorize. You may only use the Confidential Operations Manual and our confidential information as described in the Area Representative Agreement. You may only divulge confidential information to those of your staff and personnel who must have access to it to operate the Area Representative Business.

Any and all information, knowledge, know-how, techniques and data which we designate as confidential will be deemed confidential for purposes of your Area Representative Agreement. Examples of confidential information include, without limitation: (1) site selection, construction plans and design specifications; (2) methods, formats, specifications, standards, systems, procedures, sales and marketing techniques; (3) knowledge of System suppliers, specifications for and suppliers of, and methods of ordering, certain products, materials, equipment and supplies; (4)

knowledge of the operating results and financial performance of Feng Cha System businesses; (5) the Confidential Operations Manual; (6) training materials and programs; (7) customer data; (8) any computer software and similar technology that is proprietary to us or the System; and (9) all password-protected portions of our website, intranets and extranets and the information they contain (including the email addresses of our franchisees).

All data that you collect from Feng Cha franchisees or prospective franchisees or through marketing is deemed to be owned exclusively by us and/or our affiliates. You must install and maintain security measures and devices necessary to protect the data from unauthorized access or disclosure, and you may not sell or disclose to anyone else any personal or aggregated information concerning any Feng Cha franchisees or prospective franchisees. You have the right to use information regarding Feng Cha franchisees or prospective franchisees only in connection with the Area Representative Business, while the Area Representative Agreement is in effect.

You must require your owners, officers, directors, managers and any personnel having access to any of our confidential information to sign a confidentiality agreement in which these individuals agree to maintain the confidentiality of information regarding the System that they receive in the course of their employment or affiliation with your Area Representative Business. The agreement must be in a form satisfactory to us, including specific identification of us as a third party beneficiary of the non-disclosure covenants, with the independent right to enforce them.

All new products, items, services and other developments, whether they be of our original design or variations of existing services or techniques, or your original design or variations of existing services or techniques, will be deemed a work made for hire and we will own all rights in them. If they do not qualify as works made for hire, you will assign ownership to us under the Area Representative Agreement. You will not receive any payment, adjustment or other compensation in connection with any new products, items, services or developments.

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

We require that you (or, if you are an entity, your Operating Principal) to personally participate in the operation of the Area Representative Business. The Operating Principal must be an equity owner in the Area Representative Business (with a minimum of 10% of your ownership interest) and have the authority to bind you in all operational decisions regarding the Area Representative Business. We will have the right to rely on any statement, agreement or representation made by the Operating Principal. You may not change the Operating Principal without our prior written approval.

You or your Operating Principal (in the case of an entity) must satisfactorily attend and complete our training program.

In addition, all persons affiliated with you, including your officers, directors, partners, shareholders, members, managers and employees are required to execute a Confidentiality Agreement in the form attached as Exhibit 5 to the Area Representative Agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may only identify and solicit prospective franchisees in the Granted Territory and may only provide pre-opening and ongoing support services to franchisees located in the Granted Territory, as described in Item 12.

You must not violate any federal, state or local laws applicable to the sale of franchises, and must specifically abide by all applicable and enforceable laws, rules and regulations including any franchise registration and/or broken registration laws.

You will provide prospective franchisees only with written information regarding the Feng Cha System and that we have approved, including our Franchise Disclosure Document. You will immediately cease soliciting and recruiting prospective franchisees, temporarily, if we notify you that our franchise registration is not in effect, must be amended, or that our Franchise Disclosure Document is not otherwise then in compliance with applicable law, until we notify you that you may resume soliciting franchise prospects.

You will not sub franchise or otherwise appoint any other persons or entity to act as an area representative to perform any of your obligations under the Area Representative agreement.

You will not negotiate or sign franchise agreements, or any other agreements, with any prospective Feng Cha franchisees. Only we and the Feng Cha franchisee will sign the franchise agreement and other related agreements.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the Area representative agreement and related agreements pertaining to renewal, termination, transfer and dispute resolution. You should read these provisions in the agreements attached to the Disclosure Document.

	Provision	Section in Area Representative Agreement	Summary
a.	Term of franchise	3(a)	10 years.
b.	Renewal or extension of the term	3(b)	You have the right to renew the Area Representative Business for successive additional 10-year term.
c.	Requirements for you to renew or extend	3(b)	You may renew if you: (i) have notified us of your election to renew; (ii) are not in default of any agreement between you and us or our affiliates and have substantially complied with all agreements during their term; (iii) have executed our then-current form of Area Representative Agreement; and (iv) paid the renewal fee. If you seek to renew your Area Representative business at the expiration of the term, you may be asked to sign a new Area Representative Agreement that contains terms and conditions materially different from those in your previous Area Representative Agreement, such as different fee requirements and territorial rights.
d.	Termination by you	11(b)	You may not terminate the Area Representative Agreement unless we are in material default of our obligations under that agreement. You must give us 60 days written notice to cure any default within 1 year of the event or circumstances giving rise to the breach.
e.	Termination by Franchisor without cause	No provision	Not applicable.
f.	Termination by Franchisor with cause	11(a)	We have the right to terminate the Area Representative Agreement with cause. Depending upon the reason for termination, we do not have to provide you an opportunity to cure. See Item 17(g) and (h) for further description.

	Provision	Section in Area Representative Agreement	Summary
g.	Cause defined – default which can be cured	11(a)(v), 11(a)(viii)	We have the right to terminate the Area Representative Agreement: (i) after a 15-day cure period after notification upon your failure to comply with any law or regulation applicable to the operation of the business; and (ii) after a 30-day cure period upon notification of your failure to perform or breach of any covenant, obligation, term, condition, warranty or certification in the Area Representative Agreement or failure to operate the business according to our standards as set forth in the Systems Manual.
h.	Cause defined – default which cannot be cured	11(a)(i), 11(a)(ii),	We have the right to terminate the Area Representative Agreement without providing you an opportunity to cure if: (i) you commit any criminal acts involving moral turpitude or other criminal acts which may affect the reputation of the Area Representative Business or goodwill of the Proprietary Marks; (ii) you are convicted or plea of guilty or nolo contendre of a felony; (iii) you misrepresent yourself in any way (including through omission of information) in connection with your area representative application or the Area Representative Agreement; (iv) you file for bankruptcy or are adjudicated bankrupt; (v) insolvency proceedings are commenced against you or you become insolvent; (vi) you violate the transfer and assignment provision of contained in Section 10 of the Area Representative Agreement; (vii) we send you 2 or more written notices to cure within one 12-month period; (viii) you fail to comply with any in-term covenants; (ix) you use the Confidential Information in an un-authorized manner; (x) you default on any other agreement with us and such default is not cured in accordance with the terms of that agreement; and/or (xi) you fail to obtain or have revoked any license or registration necessary to sell System franchises.
i.	Your obligations on termination/non-renewal	12(a)	You must cease operation of the Area Representative Business, pay to us all sums owed to us, discontinue using the Proprietary Marks, return the Confidential Systems Manual and all other confidential information, transfer your business telephone numbers to us or our designee, surrender all stationery, printed matter, signs, advertising materials and other items containing the Proprietary Marks, furnish us with a complete list of your employees, clients, customers, franchise prospects and contacts and their respective addresses and any outstanding obligations you may have to third parties, and take all action necessary to transfer all trade name and similar registrations and business licenses to us or the new Area Representative, and to cancel any interest you may have in the same.
j.	Assignment of contract by Franchisor	10(a)	We have the unrestricted right to sell, transfer, assign and/or encumber all or any part of our interest in the Area Representative Agreement or ourselves.
k.	"Transfer" by you – definition	10(b)	A sale, transfer or assignment is deemed to occur if you directly or indirectly, sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any interest in the Area Representative Agreement or any portion or aspect thereof , or any equity or voting interest in you.
l.	Franchisor's approval of transfer by Franchisee	10(b)	You may not sell, transfer, assign or encumber your interest in the Area Representative Business or your rights under the Area Representative Agreement without our prior written consent.

	Provision	Section in Area Representative Agreement	Summary
m.	Condition for Franchisor's approval of transfer	10(e), 10(f)	Approval to sell or transfer your Area Representative Business may be conditioned upon the following: (i) the timely cure of all existing defaults under the Area Representative Agreement; (ii) execution of a general release; and (iii) providing us with a copy of the executed purchase agreement relating to the proposed transfer. The proposed transferee must have demonstrated to us that he or she meets our standards, possesses good moral character, business reputation and credit rating, has the aptitude to operate the Area Representative Business and has adequate financial resources to conduct the business. The transferee must have executed our then-current Area Representative Agreement, you or the transferee have paid to us the transfer fee, and the transferee must have completed our initial training program.
n.	Franchisor's right of first refusal to acquire your business	10(i)	We can match any offer within 30 days after receipt of the written sales proposal.
o.	Franchisor's option to purchase your business	10(i)	We can match any offer within 30 days after receipt of the written sales proposal.
p.	Your death or disability	10(h)	If you die or become disabled or incapacitated, your interest in the Area Representative Business must be assigned to approved transferee within 6 months from the date of your death, disability or incapacity. We may, at our sole option, manage the Area Representative Business in the interim.
q.	Non-competition covenants during the term of the franchise	9(a)(ii)	Neither you, nor your partners, shareholders, members or managers, nor guarantors may have any interest in any other business that offers similar services and products offered or sold by System franchised businesses (a "Competing Business") or any business that grants licenses or franchises to operate a Competing Business.
r.	Non-competition covenants after the franchise is terminated or expires	9(b), 9(e)	The Area Representative Agreement limits your right and the rights of your partners, shareholders, members, managers and guarantors, for 1 year (or the maximum period allowed by law, if shorter) following the date of the expiration and non-renewal, transfer or termination of the Area Representative Agreement: (i) to own, engage in, be employed or have any interest in any Competing Business within fifteen miles (or the maximum area allowed by law) of a Feng Cha franchised business or other System franchised businesses operated by us, our affiliate or other franchisees; and (ii) not to engage as a master franchisee, Area Representative, or in any other similar capacity in a system that is the same or substantially similar to the Feng Cha System. You must also agree to: (i) enforce all restrictive covenants entered into by your employees or independent contractors in accordance with the terms of the Area Representative Agreement during and for one (1) year after their term of employment within the Granted Territory.
s.	Modification of this agreement	12(c)	The Area Representative Agreement may only be modified by written amendment signed by both parties.
t.	Integration/merger clauses	21(e)	Any representations or promises outside of the Franchise Disclosure Document and other agreements may not be enforceable."

	Provision	Section in Area Representative Agreement	Summary
u.	Dispute resolution by arbitration or mediation	19(d), 19(e)	Before bringing a court or arbitration action, the parties must first submit to the dispute to non-binding mediation through the American Arbitration Association in Dallas, Texas (except either party may pursue an action for injunctive relief). Except for claims for injunctive relief, all controversies, disputes or claims between us must be submitted for binding arbitration to the American Arbitration Association in Dallas, Texas.
v.	Choice of forum	19(b)	Subject to the arbitration requirement and applicable state law, all actions must be commenced in the Courts of Dallas County, Texas, or the United States District Court, Northern District of Texas.
w.	Choice of law	19(a)	Except for the Federal Arbitration Act and applicable state and federal law, the law of the State of Texas applies.

ITEM 18
PUBLIC FIGURES

We do not currently use any public figure 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.

Cannect LLC does 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 Zhongming Gao, 412 N Bowser Rd, Richardson, TX 75081, (972) 762-1373, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1

SYSTEMWIDE AREA REPRESENTATIVE SUMMARY FOR YEARS 2021-2023

OUTLET TYPE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS AT THE END OF THE YEAR	NET CHANGE
Franchised	2021	7	12	+5
	2022	12	12	0
	2023	12	11	-1
Company Owned	2021	0	0	0
	2022	0	0	0
	2023	0	1[1]	+1
Total Outlets	**2021**	**7**	**12**	**+5**
	2022	**12**	**12**	**0**
	2023	**12**	**12**	**0**

Note (1) The Franchisor repurchased the rights from one area representative in 2023, but the Franchisor is not currently acting in the capacity of an area representative with respect to the reacquired rights.

TABLE NO. 2
TRANSFERS OF OUTLETS FROM AREA REPRESENTATIVES TO NEW OWNERS (OTHER THAN FRANCHISOR) FOR YEARS 2021-2023

STATE	YEAR	NUMBER OF TRANSFERS
ALL STATES	2021	0
	2022	0
	2023	0
TOTAL	**2021**	**0**
	2022	**0**
	2023	**0**

TABLE NO. 3

STATUS OF AREA REPRESENTATIVES FOR YEARS 2021 TO 2023

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS – OTHER REASONS	OUTLETS AT END OF YEAR
CALIFORNIA	2021	4	1	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	1[1]	0	4
LOUISIANA	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
NEVADA	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
OKLAHOMA	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
TEXAS	2021	2	2	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
TOTAL	**2021**	**7**	**5**	**0**	**0**	**0**	**0**	**12**
	2022	**12**	**0**	**0**	**0**	**0**	**0**	**12**
	2023	**12**	**0**	**0**	**0**	**1**	**0**	**11**

Note (1) The Franchisor repurchased the rights from one area representative in 2023, but the Franchisor is not currently acting in the capacity of an area representative with respect to the reacquired rights.

TABLE NO. 4

STATUS OF COMPANY-OWNED OUTLETS FOR YEARS 2021 TO 2023

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at end of the Year
California	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	1[1]	0	0	1
Total	**2021**	**0**	**0**	**0**	**0**	**0**	**0**
	2022	**0**	**0**	**0**	**0**	**0**	**0**
	2023	**0**	**0**	**1**	**0**	**0**	**1**

Note (1) The Franchisor repurchased the rights from one area representative in 2023, but the Franchisor is not currently acting in the capacity of an area representative with respect to the reacquired rights.

TABLE NO. 5

PROJECTED OPENINGS
AS OF DECEMBER 31, 2023

State	Agreements Signed but Outlet Not Opened	Projected New Area Representatives in the Next Fiscal Year	Projected New Company Area Representatives in the Next Fiscal Year
All States	0	0	0
Total	**0**	**0**	**0**

Attached as Exhibit F to this Disclosure Document is a list of all area representatives, including their address and telephone number (or their contact information if their Franchised Business is not yet open) as of the issuance date of this Disclosure Document.

Attached as Exhibit F to this Disclosure Document is the name, city, state and current business telephone number (or if unknown, the last known telephone number) of every area representative who was terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business during the 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 three fiscal years, we have not signed any confidentiality clauses with current or former area representatives that would restrict them from speaking openly with you about their experience with us.

There are no trademark-specific franchisee organizations associated with the Feng Cha System.

ITEM 21
FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit D is our audited financial statements as of December 31, 2021, December 31, 2022 and as of December 31, 2023 and our unaudited financials as of August 31, 2024.

ITEM 22
CONTRACTS

Included in this Disclosure Document are the following contracts or agreements:

Exhibit B – Area Representative Agreement

Exhibit 1 – Description of Territory
Exhibit 2 – Statement of Ownership
Exhibit 3 - Development Schedule
Exhibit 4 - Guaranty
Exhibit 5 - Confidentiality Agreement

Exhibit C – State Addenda

ITEM 23
RECEIPT

Attached to the end of this Disclosure Document are duplicate copies of a receipt page. You should sign both copies of the Receipt and return one signed copy to us at Cannect LLC, 412 N. Bowser Rd., Richardson TX 75081.

Exhibit A

STATE AGENTS

Cannect, LLC

STATE ADMINISTRATORS/
DESIGNATION OF AGENT FOR SERVICE OF PROCESS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws. Where we are registered to sell franchises, we have appointed the state agency, or as noted below, a state officer, as our agent for service of process in the state. We may not yet be registered to sell in any or all of the states listed. There may be states in addition to those listed below in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

CALIFORNIA Department of Business Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (866) 275-2677 Agent: California Commissioner of Financial Protection and Innovation	NORTH DAKOTA North Dakota Securities Department 600 East Boulevard Avenue State Capitol Fifth Floor Dept. 414 Bismarck, North Dakota 58505-0510 (701) 328-4712 Agent: North Dakota Securities Commissioner
HAWAII Commissioner of Securities Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722 Agent: Commissioner of Securities of the State of Hawaii	OREGON Department of Finance and Corporate Securities Labor and Industries Building 350 Winter Street NE, Room 410 Salem, Oregon 97301-3881 (503) 378-4387 Agent: Director of Oregon Department of Insurance and Finance
ILLINOIS Franchise Division Office of Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465 Agent: Illinois Attorney General	RHODE ISLAND Department of Business Regulation Division of Securities 1511 Pontiac Ave. John O. Pastore Complex Building 69-1 Cranston, RI 02920 (401) 462-9500 Agent: Director of Business Regulation
INDIANA Franchise Section Indiana Securities Division Room E-111 302 West Washington Street Indianapolis, Indiana 46204 (317) 232-6681 Agent: Indiana Secretary of State Indiana Securities Division 201 State House Indianapolis, IN 46204	SOUTH DAKOTA Department of Labor and Regulation Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563 Agent: Director, Division of Insurance-Securities Regulation
MARYLAND	VIRGINIA

Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360 Agent: Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051 Agent: Clerk of the State Corporation Commission 1300 E Main St., 1st. Fl. Richmond, VA 23219 Tel: (804) 371-9733
<u>MICHIGAN</u> Consumer Protection Division Antitrust and Franchise Unit Michigan Department of Attorney General 670 Law Building Lansing, Michigan 48913 (517) 373-7177 Agent: Michigan Department of Commerce Corporations and Securities Bureau 6546 Mercantile Way Lansing, MI 48910	<u>WASHINGTON</u> Director Washington Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, Washington 98501 (360) 902-8760 Agent: Securities Administrator, Director of Department
<u>MINNESOTA</u> Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1500 Agent: Minnesota Commissioner of Commerce	<u>WISCONSIN</u> Securities Division of the Wisconsin Department of Financial Institutions 345 W. Washington Ave., 4th Floor Madison, Wisconsin 53703 (608) 266-8559 Agent: Wisconsin Commissioner of Securities
<u>NEW YORK</u> NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222 Phone Agent for service: New York Department of State One Commerce Plaza, 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 (518) 473-2492	

<u>Exhibit B</u>

AREA REPRESENTATIVE AGREEMENT

Cannect, LLC

AREA REPRESENTATIVE AGREEMENT

TABLE OF CONTENTS

1. PARTIES AND RECITALS

(a) This Area Representative Agreement ("Agreement") is made _______ (the "Effective Date") by and between Cannect, LLC, a Texas limited liability company with its principal place of business at 412 N. Bowser Rd., Richardson TX 75081 ("FRANCHISOR"), and _________________________________ with a place of business at ____ ("AREA REPRESENTATIVE").

(b) FRANCHISOR owns or has the sole right to license certain trade names, trademarks, service marks, logos, symbols and/or other indicia of origin (the "Proprietary Marks"), including but not limited to, the service mark "Feng Cha" and such other trade names, trademarks, service marks, associated logos, and symbols as are now designated by FRANCHISOR (and as may hereafter be designated by FRANCHISOR in writing).

(c) The FRANCHISOR, as the result of the expenditure of time, skill, effort and resources has developed and owns a unique and distinctive format and system (the "System" or the "Feng Cha System") relating to the establishment and operation of Feng Cha businesses offering quality drinks and desserts. The distinguishing characteristics of the System include, but are not limited to, design and appearance specifications, uniform standards, specifications, and procedures for operations, recipes, equipment, inventory and staffing; quality and uniformity of products and services; employee training and assistance; and advertising and promotional programs; all of which may be changed, improved, and further developed by the FRANCHISOR from time to time.

(d) FRANCHISOR grants a franchise for the right to establish and operate Feng Cha franchised businesses under the Proprietary Marks and System described below (the "Franchised Business") pursuant to an agreement (the "Franchise Agreement"), which may be modified by FRANCHISOR from time to time in its sole discretion.

(e) AREA REPRESENTATIVE desires, upon the terms and conditions set forth herein, to obtain the right and obligation to act as the FRANCHISOR'S authorized representative in actively promoting the sale and development and assisting with training and ongoing support of Feng Cha franchises within the Granted Territory (defined in Section 2 below).

2. GRANTED TERRITORY

(a) Subject to all of the terms and conditions herein, FRANCHISOR hereby grants to AREA REPRESENTATIVE the right to act as FRANCHISOR's authorized area representative for sales and development solely within the territory described on Exhibit "1" which is attached hereto and made a part hereof by reference (the "Granted Territory"). In consideration of the rights granted in this Agreement, AREA REPRESENTATIVE shall solicit the sale of Feng Cha franchises and refer prospective franchise owners to FRANCHISOR, who shall in its sole discretion determine the qualifications and suitability of each applicant, and who shall execute all Franchise Agreements with such prospective Feng Cha franchise owners. AREA REPRESENTATIVE acknowledges and agrees that FRANCHISOR may at any time designate others as AREA REPRESENTATIVES of the System with respect to any area other than the Granted Territory.

(b) AREA REPRESENTATIVE acknowledges and agrees that the territorial rights granted hereunder are subject to AREA REPRESENTATIVE's timely compliance with the Development Schedule attached hereto as Exhibit “3”. If AREA REPRESENTATIVE fails to meet the Development Schedule set forth in Exhibit “3”, AREA REPRESENTATIVE shall forfeit any further rights in the Granted Territory, in which event FRANCHISOR may license or grant to any third party the right to solicit the sale of additional Franchised Businesses within the Granted Territory. In such event, AREA REPRESENTATIVE shall forfeit his/her/its rights to receive any of the fees provided by Paragraphs 5(b) and 5(c) of this Agreement with respect to any new Franchised Business which may be sold by FRANCHISOR or such third persons within the Granted Territory.

(c) FRANCHISOR and/or its affiliates reserve all other rights with respect to the Granted Territory, which include but are not limited to: (i) the right to own, operate, franchise or license, both within and outside the Granted Territory, Feng Cha franchised businesses and similar businesses operating under names other than the Proprietary Marks, regardless of whether or not these other concepts offer products and services which are similar to or competitive with those offered by Feng Cha franchised businesses and (ii) the right to distribute products and services (which may include, but are not limited to, clothing, books, food, nutritional products, videos, and music), in alternative channels of distribution whether now existing or developed in the future, identified by the Proprietary Marks or other marks we and/or our affiliates own or license, through any distribution method we or our affiliates may establish, and may franchise or license others to do so, both within and outside the Granted Territory, regardless of whether the offering of products or services in the other channels of distribution compete with any Feng Cha franchised business (which alternative channels of distribution include but are not limited to: sales of services and products at or through mail order, catalog, tele-marketing, direct mail marketing, or via the internet, and any similar outlets or distribution methods). FRANCHISOR also reserves the right to establish and operate, and license other parties to establish and operate Feng Cha franchised businesses in fitness centers, health clubs, colleges, universities, hotels, casinos, business complexes, regional malls, airports, military bases and other similar outlets (the “Special Venue Locations”) in the Granted Territory.

3. TERM

(a) This Agreement shall take effect upon its execution by all parties hereto (the "Effective Date") and, unless previously terminated pursuant to Paragraph 11 hereof its term shall extend for ten (10) years from the Effective Date (the "Initial Term").

(b) Provided AREA REPRESENTATIVE is not in default under this Agreement or any other agreement with FRANCHISOR at any time during the last six (6) months of the Initial Term or any successive term, as applicable, AREA REPRESENTATIVE may, at its option, renew the Granted Territory upon the expiration of the Initial Term for one successive term of ten (10) years, in accordance with FRANCHISOR'S then current terms and conditions for granting renewal, which may include execution of a new and modified agreement, with a revised form of development schedule and such additional terms as FRANCHISOR may reasonably require. As a condition of renewal, there shall have been paid to FRANCHISOR, the renewal fee equal to twenty five percent (25%) of the then current initial franchise fee(s) being charged by FRANCHISOR to System franchise owners multiplied by the number of Feng Cha franchised businesses which are in operation in the Granted Territory as of the date of renewal. AREA REPRESENTATIVE shall exercise its option to renew by giving FRANCHISOR written notice of AREA REPRESENTATIVE'S election to renew not less than six (6) months nor more than one (1) year prior to the expiration of the Initial Term.

4. ASSISTANCE PROVIDED BY FRANCHISOR

(a) Prior to AREA REPRESENTATIVE'S commencement of business, FRANCHISOR or its designee shall provide AREA REPRESENTATIVE with the following assistance:

(i) Training and orientation in the sale of franchises, including, without limitation, sales techniques and procedures and disclosure requirements; and

(ii) Loan AREA REPRESENTATIVE one (1) set of the Confidential Operations Manual (as hereinafter defined) which may be amended from time to time by FRANCHISOR in its sole discretion.

(b) After AREA REPRESENTATIVE'S commencement of business, FRANCHISOR or its designee shall provide AREA REPRESENTATIVE with the following assistance:

(i) Use its best efforts to promptly process all franchise applications received. FRANCHISOR will not unreasonably withhold its approval of a prospective franchisee if the prospective franchisee meets FRANCHISOR’s criteria for a Feng Cha franchisee;

(ii) Provide initial training and certain ongoing training to all franchisees in the Granted Territory; and

(iii) Collect fees from all franchisees in the Granted Territory and pay to AREA REPRESENTATIVE its portion of these fees.

5. FEES

(a) In consideration of the execution of this Agreement, AREA REPRESENTATIVE agrees to pay FRANCHISOR a nonrefundable Development Fee in the amount set forth on Exhibit “1” attached hereto. Upon payment of the Development Fee, the fee shall be deemed fully earned and non-refundable, in consideration of the administrative and other expenses incurred by the FRANCHISOR in entering into this Agreement and for the FRANCHISOR’s lost or deferred opportunity to enter into this Agreement with others.

(b) During the Term of this Agreement, in connection with the sale of each Franchised Business in AREA REPRESENTATIVE's Territory, FRANCHISOR agrees to pay AREA REPRESENTATIVE an Initial Fee equal to one-half of the initial fee actually paid to and received by FRANCHISOR by a franchisee for each Franchised Business licensed to operate within AREA REPRESENTATIVE'S Granted Territory while AREA REPRESENTATIVE'S rights hereunder are in effect. AREA REPRESENTATIVE shall not solicit sales and shall not be entitled to receive the initial fee or royalties from the sale of (i) any Franchised Business not located in AREA REPRESENTATIVE'S Granted Territory, or (ii) any Special Venue Location, even if such location is located in the Granted Territory. In addition, AREA REPRESENTATIVE shall not receive any portion of the initial fee for any franchise agreement executed by AREA REPRESENTATIVE.

(c) During the Term of this Agreement, FRANCHISOR agrees to pay to AREA REPRESENTATIVE a recurring fee comprised of Fifty Percent (50%) of the royalty fees actually paid to and received by FRANCHISOR during the preceding calendar month by all franchise owners who are or were licensed to operate Franchised Business's within the Granted Territory while AREA REPRESENTATIVE'S rights hereunder were in effect, exclusive of advertising or other fees required to be paid by such franchise owners under their respective Franchise Agreements. The fee set forth in this Section 5(c) does not apply to (i) Franchised Businesses that were licensed to operate in the Granted Territory prior to the Effective Date of this Agreement, (ii) Feng Cha franchised businesses owned and operated by FRANCHISOR or its affiliate(s), (iii) Special Venue Locations or (iv) any monies received by FRANCHISOR or its affiliates from the sale of products and services through alternative channels of distribution.

(d) Unless otherwise provided, all fees and other amounts due to AREA REPRESENTATIVE hereunder shall be paid on or before the twentieth (20th) day of the calendar month following the calendar month to which they relate, accompanied by a statement stating the fees due to AREA REPRESENTATIVE for each applicable Franchised Business within the Granted Territory.

(e) FRANCHISOR shall have the discretionary right to apply all payments from franchisees in such order as FRANCHISOR may designate from time to time.

(f) Fees are not due or payable to AREA REPRESENTATIVE until FRANCHISOR has collected them from the franchise owners. In the event any fees are subject to a deferral or escrow requirement by any State Regulator, FRANCHISOR shall not be required to pay AREA REPRESENTATIVE any fees until (i) such conditions related to the deferral or escrow requirements are met and (ii) FRANCHISOR receives such monies. Fees payable to AREA REPRESENTATIVE are net of any collection costs or legal fees incurred by FRANCHISOR in order to recover such amounts.

6. NO LICENSE OF MARKS

AREA REPRESENTATIVE covenants and agrees with FRANCHISOR that:

(a) AREA REPRESENTATIVE is an authorized representative of FRANCHISOR and except as set forth in this Section 6, acquires no right to use the Proprietary Marks by virtue of this Agreement. AREA REPRESENTATIVE may only reference the Proprietary Marks as those which FRANCHISOR may license prospective franchise owners to use in connection with a Franchised Business.

(b) AREA REPRESENTATIVE shall not use marks which are or may be confusingly similar to the Proprietary Marks in its own corporate, partnership or business name.

(c) Any and all goodwill associated with the Feng Cha System and the Proprietary Marks (including all future characteristics, improvements and additions to or associated with the Feng Cha System) is the property of FRANCHISOR or FRANCHISOR'S corporate affiliates and shall inure directly and exclusively to them. Under no circumstances shall AREA REPRESENTATIVE claim any right, title or interest in such Proprietary Marks pursuant to this Agreement or its activities as a sales representative.

7. AREA REPRESENTATIVE'S OBLIGATIONS

AREA REPRESENTATIVE acknowledges that it is essential to the preservation of the integrity of the Feng Cha system, Proprietary Marks, indicia and goodwill of FRANCHISOR that AREA REPRESENTATIVE and the franchisees in the Granted Territory maintain and adhere to the standards, procedures and policies hereinafter described, and as may be altered or amended by FRANCHISOR from time to time in FRANCHISOR'S sole discretion. For the purpose of enhancing the public image and reputation of the businesses associating with the Feng Cha System and for the purpose of increasing the demand for services and products provided by franchise owners and FRANCHISOR and AREA REPRESENTATIVE agree as follows:

(a) AREA REPRESENTATIVE agrees to comply with all System rules, regulations, policies and standards which are by their terms mandatory. AREA REPRESENTATIVE shall operate the business licensed under this Agreement solely in the manner and pursuant to the standards prescribed herein, or in other written materials provided by FRANCHISOR to AREA REPRESENTATIVE.

(b) AREA REPRESENTATIVE shall maintain in stock minimum order amounts of all standard advertising and marketing materials promoting the System as FRANCHISOR may require from time to time, and shall use only business stationery, marketing materials, advertising materials, printed materials or forms which have been approved in advance in writing by FRANCHISOR.

(c) AREA REPRESENTATIVE shall actively promote and solicit the sale of System franchises and to that end, AREA REPRESENTATIVE shall use its best efforts to assure that the Granted Territory is fully developed as rapidly as possible with operating Franchised Businesses, in accordance with the Development Schedule attached hereto as Exhibit "3" and FRANCHISOR'S policies, standards and guidelines as set forth from time to time in the Confidential Operations Manual.

(d) AREA REPRESENTATIVE shall provide such assistance and information as FRANCHISOR may request in order to adequately disclose the relationship of AREA REPRESENTATIVE and FRANCHISOR in accordance with all disclosure laws and regulations relating to the sale of franchise agreements and shall obtain all licenses and/or registrations necessary to solicit the sale of System franchises. AREA REPRESENTATIVE agrees to maintain and provide to FRANCHISOR accurate written records of any and all contacts or dealings with prospective franchise owners as may be required in the Confidential Operations Manual and by the terms of any state or federal law or regulation affecting franchise sales or the franchise relationship in order that AREA REPRESENTATIVE may validly solicit and FRANCHISOR validly sell Franchise Agreements in the Granted Territory to potential franchise owners, and as FRANCHISOR may otherwise request.

(e) AREA REPRESENTATIVE shall use only advertising and promotional materials and programs promoting the sale and operation of FENG CHA franchises that are provided by FRANCHISOR or approved in advance, in writing, by FRANCHISOR, and registered with any applicable regulatory agencies.

(f) Prior to their use by the AREA REPRESENTATIVE, samples of all advertising and promotional materials not prepared or previously approved by FRANCHISOR, including, without limitation, Internet advertising on the World Wide Web, social media channels or other similar network, shall be submitted to FRANCHISOR for approval. If written approval is not received by the AREA REPRESENTATIVE within 15 business days from FRANCHISOR's receipt of proposed advertising materials, FRANCHISOR shall be deemed to have disapproved of the proposed materials. The AREA REPRESENTATIVE shall not use any advertising or promotional materials that FRANCHISOR has disapproved. The AREA REPRESENTATIVE acknowledges and understands that certain states require the filing of franchise sales advertising materials with the appropriate state agency prior to dissemination. The AREA REPRESENTATIVE agrees to fully and timely comply with such filing requirements at the AREA REPRESENTATIVE's own expense unless such advertising has been previously filed with the state by FRANCHISOR. The FRANCHISOR may charge the AREA REPRESENTATIVE, in the FRANCHISOR 's sole discretion, for the costs incurred by FRANCHISOR in printing large quantities of advertising and marketing materials supplied by FRANCHISOR to the AREA REPRESENTATIVE at the AREA REPRESENTATIVE’s request.

(g) Except as FRANCHISOR approves in advance in writing, AREA REPRESENTATIVE may not establish or maintain a separate Website, or otherwise maintain a presence or advertise on the Internet (including any social media or blogs) or any other public computer network in connection with AREA REPRESENTATIVE’S business under this Agreement. If FRANCHISOR grants written approval, AREA REPRESENTATIVE must establish and operate AREA REPRESENTATIVE’S Website, social media sites or blogs in accordance with FRANCHISOR’S standards and policies.

(i) FRANCHISOR will own all business records with respect to AREA REPRESENTATIVE’S business, including any databases (whether in print, electronic or other form), including all names of prospective franchises, their addresses, telephone numbers, e-mail addresses and all other similar records that are created and maintain in connection with the operation of AREA REPRESENTATIVE’S business. At all times during and after the termination or expiration of the Area Representative Agreement, FRANCHISOR may access such business records and may utilize, transfer or analyze such records as FRANCHISOR determines, in its sole discretion, to be in the best interest of the System. AREA REPRESENTATIVE must install and maintain security measures and devices necessary to protect the business records and data from unauthorized access or disclosure, and AREA REPRESENTATIVE may not sell or disclose to anyone else any personal or aggregated information concerning any of AREA REPRESENTATIVE’S business records. AREA REPRESENTATIVE has the right to use the business records and data only in connection with its obligations under the Area Representative Agreement, while the Area Representative Agreement is in effect.

8. SYSTEM MANUALS

(a) In order to protect the reputation and goodwill of the Feng Cha System and to maintain high standards of operation, AREA REPRESENTATIVE shall conduct its business in accordance with various written instructions and operating manuals (hereinafter and previously referred to as the “Confidential Operations Manual”), including such amendments thereto, as FRANCHISOR may publish from time to time, all of which AREA REPRESENTATIVE acknowledges belong solely to FRANCHISOR and shall be on loan from FRANCHISOR during the term of this Agreement. When any provision in this Agreement requires that AREA REPRESENTATIVE comply with any standard, specification or requirement of FRANCHISOR, unless otherwise indicated, such standard, specification or requirement shall be such as is set forth in this Agreement or as may, from time to time, be set forth by FRANCHISOR in the Confidential Operations Manual.

(b) AREA REPRESENTATIVE shall at all times use its best efforts to keep the Confidential Operations Manual and any other manuals, materials, goods and information created or used by FRANCHISOR and designated for confidential use within the Feng Cha System and the information contained therein as confidential and shall limit access to employees of AREA REPRESENTATIVE on a need to know basis. AREA REPRESENTATIVE acknowledges that the unauthorized use or disclosure of FRANCHISOR'S confidential information or trade secrets may constitute a violation of state and/or federal laws and will cause irreparable injury to FRANCHISOR and that damages are not an adequate remedy. AREA REPRESENTATIVE accordingly covenants that it shall not at any time, without FRANCHISOR'S prior written consent, disclose, use, permit the use thereof (except as may be required by applicable law or as authorized by this Agreement), copy, duplicate, record, transmit or otherwise reproduce such information, by any means, in whole or in part, or otherwise make the same available to any unauthorized person or source.

(c) AREA REPRESENTATIVE understands and acknowledges that FRANCHISOR may, from time to time, revise the contents of the Confidential Operations Manual to implement new or different requirements for the operation of the AREA REPRESENTATIVE'S business and that of franchise owners operating under the Feng Cha System. AREA REPRESENTATIVE expressly agrees to comply with all such changed requirements, which are by their terms mandatory.

(d) AREA REPRESENTATIVE shall at all times insure that its copy of the Confidential Operations Manual is kept current and up to date and, in the event of any dispute as to the contents thereof, the terms and dates of the master copy thereof maintained by FRANCHISOR at its principal place of business shall be controlling.

9. COVENANTS

(a) During the term of this Agreement, AREA REPRESENTATIVE and any guarantor(s) hereof covenant, individually:

(i) To use its best efforts in recommending and promoting the sale of Feng Cha franchises and in representing the Feng Cha System as an Area Representative;

(ii) Not to engage as a master franchise, area representative or in any other similar capacity in a system that is the same or substantially similar to the Feng Cha system or engage as an owner, operator, or in any managerial capacity in any business which is the same as, or substantially similar to, a Feng Cha franchised business or which offers to sell any product or services which are the same as, or substantially similar to, any of the products and services offered by a Feng Cha franchised business including, but not limited to, tea based beverages and other specialty drinks and desert items (a "Competing Business");

(iii) To comply with all laws and regulations affecting the offer or sale of franchises and persons engaged in the sale of franchises as franchise sales agents and/or brokers;

(iv) Not to make any representations or earnings claims not authorized by FRANCHISOR;

(v) Not to accept any funds or monies from any Feng Cha franchise owner;

(vi) To conduct sales solicitation activities strictly in accordance with standards established by FRANCHISOR;

(vii) Not to sell any other franchises or business opportunities; and

(viii) Not to employ or seek to employ any person(s) who are at the time employed by FRANCHISOR or directly or indirectly induce any such person(s) to leave their employment with FRANCHISOR.

(b) In the event this Agreement is terminated, expires or is not renewed, or if AREA REPRESENTATIVE assigns or transfers its interest herein to any person or business organization except pursuant to Paragraph 10 (j) hereof, AREA REPRESENTATIVE, and guarantor(s) covenant, individually, for a period of two (2) years after such expiration or termination not to engage as an owner, operator, or in any managerial capacity, in any Competing Business within the Granted Territory or within fifteen miles of any Feng Cha location, other than pursuant to any Franchise Agreement to which AREA REPRESENTATIVE, such guarantor or AREA REPRESENTATIVE is a party.

(c) In the event this Agreement is terminated, expires or is not renewed, or if AREA REPRESENTATIVE assigns or transfers its interest herein to any person or business organization except pursuant to Paragraph 10 (j) hereof, AREA REPRESENTATIVE, and guarantor(s) covenant, individually, for a period of two (2) years after such expiration or termination not to engage as a master franchise, area representative or in any other similar capacity in a system that is the same or substantially similar to the Feng Cha system

(d) FRANCHISOR possesses certain proprietary and confidential information relating to the operation of the System, which includes the Confidential Operations Manual, training programs and materials, (the "Confidential Information"). Any and all information, knowledge, know-how, and techniques which FRANCHISOR specifically designates as confidential shall be deemed to be Confidential Information for purposes of this Agreement. AREA REPRESENTATIVE acknowledges and agrees FRANCHISOR will disclose the Confidential Information to AREA REPRESENTATIVE in furnishing to AREA REPRESENTATIVE the training program and subsequent ongoing training, the Manuals and general assistance during the term of this Agreement. AREA REPRESENTATIVE acknowledges and agrees that AREA REPRESENTATIVE will not acquire any interest in the Confidential Information, other than the right to utilize it in connection with the performance of AREA REPRESENTATIVE's duties and obligations under this Agreement during the term hereof, and that the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition. AREA REPRESENTATIVE acknowledges and agrees that the Confidential Information is proprietary, involves trade secrets of FRANCHISOR, and is disclosed to AREA DIRECTOR solely on the condition that AREA REPRESENTATIVE agrees, and AREA REPRESENTATIVE does hereby agree, that it shall: (1) not use the Confidential Information in any other business or capacity during and after the term of this Agreement; (2) maintain the absolute confidentiality of the Confidential Information during and after the term of this Agreement; (3) not make unauthorized copies of any portion of the Confidential Information and maintain restrictions on disclosure thereof to AREA REPRESENTATIVE's employees by reasonable methods; and (4) not disclose or permit access to any Confidential Information by any person, except for employees of AREA REPRESENTATIVE requiring such access for AREA REPRESENTATIVE to fulfill its obligations under this Agreement. The protection granted hereunder shall be in addition to and not in lieu of all other protections for such trade secrets and confidential information as may otherwise be afforded at law or equity.

(e) To the extent permitted by law, AREA REPRESENTATIVE agrees to execute confidentiality agreements with all employees and independent contractors of AREA

REPRESENTATIVE in the form attached hereto as Exhibit “5”. AREA REPRESENTATIVE shall be responsible for ensuring the enforceability of such agreements in conformity with the respective jurisdiction(s) in the Granted Territory; provided that any deviation from the terms enumerated herein to ensure such enforceability shall be subject to the prior written approval of FRANCHISOR.

(f) The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. FRANCHISOR may unilaterally, at any time, in its sole discretion, revise any of the covenants in this Paragraph 9 so as to reduce the obligations of AREA REPRESENTATIVE thereunder. Should any part of these restrictions be found to be unenforceable by virtue of its scope in terms of area, business activity prohibited or length of time, and should such part be capable of being made enforceable by reduction of any or all thereof, AREA REPRESENTATIVE and FRANCHISOR agree that the same shall be enforced to the fullest extent permissible under the law, AREA REPRESENTATIVE further expressly agrees that the existence of any claim it may have against FRANCHISOR, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by FRANCHISOR of the covenants in this Paragraph 9.

10. TRANSFER AND ASSIGNMENT

(a) FRANCHISOR shall have the right to transfer all or any part of its rights or obligations herein to any person or legal entity, including to any competitor of FRANCHISOR which agrees to assume FRANCHISOR'S obligations hereunder, including a competitor of FRANCHISOR.

(b) AREA REPRESENTATIVE understands and acknowledges that the rights and duties created by this Agreement are personal to AREA REPRESENTATIVE, and that FRANCHISOR has awarded the Granted Territory in reliance on many factors, including, without limitation, the individual or collective character, skill, aptitude and business and financial capacity of AREA REPRESENTATIVE and AREA REPRESENTATIVE'S principals. Accordingly, neither AREA REPRESENTATIVE nor any person owning any direct or indirect equity interest therein, shall, without FRANCHISOR'S prior written consent, directly or indirectly sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any interest in this Agreement or any portion or aspect thereof, or any equity or voting interest in AREA REPRESENTATIVE. Any such purported assignment occurring by operation of law or otherwise, including any assignment by a trustee in bankruptcy, without FRANCHISOR'S prior written consent shall be a material default of this Agreement.

(c) In the event AREA REPRESENTATIVE is a corporation, the stock of such corporation shall not be publicly sold or traded on any securities exchange or in the over-the-counter market without the express prior written consent of FRANCHISOR, which consent may be given or denied in FRANCHISOR'S sole discretion. All shares of AREA REPRESENTATIVE, whether already or hereafter issued by AREA REPRESENTATIVE, shall from and after the date hereof bear a legend sufficient under applicable law to constitute notice of the restrictions on such stock contained in this Agreement and to allow such restrictions to be enforceable. Such legend shall appear in substantially following form:

"The sale, transfer, pledge or hypothecation of this stock is restricted pursuant to Paragraph 10 of AREA REPRESENTATIVE AGREEMENT dated ____________, 20__ between Cannect, LLC and the issuer of these shares."

(d) AREA REPRESENTATIVE represents that as of the execution of this Agreement its equity and voting control is owned as shown in Exhibit "2" hereto. If AREA REPRESENTATIVE, or any approved successor thereof, is a partnership or privately-held corporation, AREA REPRESENTATIVE shall submit to FRANCHISOR prior to any proposed transfer of an equity or voting interest, and at any other time upon request, a list of all holders of direct or indirect equity or voting interests of record reflecting their respective present and/or proposed direct or indirect interests in AREA REPRESENTATIVE, in such form as FRANCHISOR may require.

(e) AREA REPRESENTATIVE understands and acknowledges the vital importance of the performance of AREA REPRESENTATIVE to the market position and overall image of FRANCHISOR. AREA REPRESENTATIVE also recognizes the many subjective factors that comprise the process by which FRANCHISOR selects a suitable AREA REPRESENTATIVE. The consent of FRANCHISOR to a transfer by AREA REPRESENTATIVE of any interest in this Granted Territory, or any equity or voting interest in AREA REPRESENTATIVE shall remain a subjective determination and shall include, but not be limited to, the following conditions:

(i) The proposed transferee is a person or entity which meets the FRANCHISOR'S standards of qualification then applicable with respect to all new AREA REPRESENTATIVE applicants for similar FENG CHA System Granted Territories and in FRANCHISOR'S sole discretion has the ability to discharge AREA REPRESENTATIVE'S obligations to franchise owners within the Granted Territory;

(ii) The proposed transfer is at a price and upon such terms and conditions as FRANCHISOR, in its sole judgment, shall deem reasonable;

(iii) As of the effective date of the proposed transfer, all obligations of AREA REPRESENTATIVE hereunder and under any other agreements between AREA REPRESENTATIVE and FRANCHISOR are fully satisfied;

(iv) As of the effective date of the proposed transfer, all obligations of the proposed transferee to the FRANCHISOR (if any) must be fully satisfied; and

(v) As of the effective date of the proposed transfer, FRANCHISOR shall have forwarded to AREA REPRESENTATIVE its approval, granted in its sole discretion, of the proposed transfer to the proposed transferee.

(f) FRANCHISOR may require, as a condition of its approval of any proposed transfer, satisfaction of the requirements set forth in Paragraph 10(g) in the event of the following:

(i) If AREA REPRESENTATIVE is a publicly-held corporation approved by FRANCHISOR pursuant to Paragraph 10(c) and the proposed transfer, alone or together with any and all other previous, simultaneous and/or proposed transfers, would have the effect of transferring a direct or indirect controlling interest (as reasonably determined by FRANCHISOR) in AREA REPRESENTATIVE;

(ii) If AREA REPRESENTATIVE is a partnership or privately-held corporation and the proposed transfer, alone or together with any and all other previous, simultaneous and/or proposed transfers, would have the effect of reducing to less than fifty-one percent (51%) the percentage of voting or equity interest owned in AREA REPRESENTATIVE Owner by the initial equity owners identified in Exhibit "2" hereto, or,

(iii) If AREA REPRESENTATIVE is a natural person and the proposed transfer, alone or together with any and all other simultaneous and/or proposed transfers, would have the effect of reducing AREA REPRESENTATIVE'S voting or equity interest in this Granted Territory to less than fifty-one percent (51%).

In computing the percentages of equity interest owned in AREA REPRESENTATIVE for purposes of this Paragraph 10, general partnership interests shall not be distinguished from limited partnership interests.

(g) The requirements for all such transfers under paragraph 10(f) are as follows:

(i) AREA REPRESENTATIVE must cause the prospective transferee to be provided with the FRANCHISOR'S current form of disclosure document required by the Federal Trade Commission's Trade Regulation Rule on Franchising and/or other applicable franchise registration/disclosure laws, and receipt for same shall be delivered to FRANCHISOR, provided, however, FRANCHISOR shall not be liable for any representations other than those contained in such disclosure document;

(ii) There shall have been paid to FRANCHISOR, together with the application for consent to the transfer, the transfer fee equal to $10,000 multiplied by the number of Feng Cha franchised businesses that AREA REPRESENTATIVE is required to sell in the Granted Territory, as specified in the Development Schedule.

(iii) The transferor shall have executed a general release under seal where required, in a form satisfactory to FRANCHISOR, of any and all claims against FRANCHISOR, its parent, subsidiaries, affiliates and their officers, directors, attorneys, shareholders, and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances arising out of, or connected with, the performance of this Agreement;

(iv) The transferee shall enter into a written assignment, under seal where required, and in a form satisfactory to FRANCHISOR, assuming and agreeing to discharge all of AREA REPRESENTATIVE'S obligations under this Agreement;

(v) The transferee shall demonstrate to FRANCHISOR'S sole satisfaction that it meets all of FRANCHISOR'S requirements for becoming a AREA REPRESENTATIVE, including, without limitation, that it meets FRANCHISOR'S managerial and business standards then in effect for similarly situated AREA REPRESENTATIVE, possesses a good moral character, business reputation, and satisfactory credit rating; will comply with all instruction and training requirements of FRANCHISOR and has the aptitude and ability to operate the Franchised Business (as may be evidenced by prior related business experience or otherwise); and

(vi) The transferee and/or its designated managerial personnel shall have completed, to FRANCHISOR'S satisfaction, the training then required of other System area representatives;

(vii) The transferee shall obtain all licenses and/or registrations necessary to assist with the sale of System franchises.

(h) Upon the death or mental incompetency (as reasonably determined by an independent third party such as a licensed doctor) of any person with any direct or indirect interest in AREA REPRESENTATIVE, the executor, administrator, or personal representative of such person shall transfer his interest to a third party approved by FRANCHISOR within six months after the death or incompetency. Such transfers shall be subject to the same conditions as any inter vivos transfer. If the heirs or beneficiaries of any such person are unable to meet the conditions in Paragraph 10(g) hereof, FRANCHISOR may terminate this Agreement.

(i) If AREA REPRESENTATIVE or any person or entity holding any direct or indirect interest in AREA REPRESENTATIVE or this Agreement desires to sell or transfer for value, either an interest in this Agreement or in AREA REPRESENTATIVE, AREA REPRESENTATIVE shall first notify FRANCHISOR in writing of such intention and offer to sell or transfer such interest to FRANCHISOR upon the terms and conditions set forth in such notice, net of any applicable real estate and/or business brokerage commissions, or the cash equivalent thereof, at FRANCHISOR'S option. If FRANCHISOR and AREA REPRESENTATIVE cannot agree within 30 days of such notice on the terms and conditions of such sale or transfer, or if FRANCHISOR notifies AREA REPRESENTATIVE that it does not want to acquire such interest, AREA REPRESENTATIVE may sell or transfer such interest to a bona fide third party; provided that such sale or transfer is made within 120 days after the expiration of any offer to FRANCHISOR, that such sale or transfer is made at a net price and on terms no more favorable than those offered in writing to FRANCHISOR, that all applicable requirements of Paragraph 10 hereof are met. Failure of FRANCHISOR to exercise the option afforded by this Paragraph 10(i) shall not constitute a waiver of any other provision of this Agreement, including all requirements of this Section 10, with respect to a proposed transfer.

(j) Notwithstanding the foregoing, it is understood that AREA REPRESENTATIVE (if an individual) may assign and delegate this Agreement and AREA REPRESENTATIVE'S rights and obligations hereunder on one occasion to a corporation organized by AREA REPRESENTATIVE for that purpose only and at least fifty-one percent (51%) of all the issued and outstanding shares of voting stock of which shall be owned and voted continuously by AREA REPRESENTATIVE. FRANCHISOR shall be given prior written notice of such assignments and delegation, and thereupon such corporation shall have all of said rights and obligations, and the term "AREA REPRESENTATIVE" as used herein shall refer to said corporation; provided, however, that such assignment shall in no way affect the obligations hereunder of the individual above designated "AREA REPRESENTATIVE," who shall remain fully bound by and responsible for the performance of all of said obligations, jointly and severally with said corporation. Said corporation shall at no time engage in any business or activities other than the exercise of the rights herein granted to the AREA REPRESENTATIVE and the performance of its obligations as AREA REPRESENTATIVE hereunder.

(k) FRANCHISOR'S consent to a transfer of any interest in AREA REPRESENTATIVE shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of FRANCHISOR'S right to demand exact compliance with any of the terms of this Agreement by the transferee.

11. DEFAULT AND TERMINATION

(a) AREA REPRESENTATIVE may be deemed in default and FRANCHISOR may, at its option, and without waiving its rights hereunder or any other rights available at law or in equity, including its rights to damages, terminate this Agreement and all of AREA REPRESENTATIVE'S rights hereunder effective immediately upon the date FRANCHISOR gives written notice of termination, upon such other date as may be set forth in such notice of termination, or in those instances enumerated below, automatically upon the occurrence of, or the lapse of the specified period following, an event of default. The occurrence of any one or more of the following events shall constitute an event of default and grounds for termination of this Agreement by FRANCHISOR:

(i) Automatically, if AREA REPRESENTATIVE becomes insolvent or makes a general assignment for the benefit of creditors, or if a petition in bankruptcy is filed by AREA REPRESENTATIVE, or such a petition is filed against and consented to by AREA REPRESENTATIVE, or if a bill in equity or other proceeding for the appointment of a receiver of AREA REPRESENTATIVE or other custodian for AREA REPRESENTATIVE'S business or assets is filed and consented to by AREA REPRESENTATIVE, or if a receiver or other custodian (permanent or temporary) of AREA REPRESENTATIVE'S assets or property, or any part thereof, is appointed, or if a final judgment in excess of fifteen thousand Dollars ($15,000) remains unsatisfied or of record for 60 days or longer (unless a bond is filed other steps are taken to effectively stay entitlement of such judgment in the relevant jurisdiction.

(ii) If AREA REPRESENTATIVE makes, or has made, any materially false statement or report to FRANCHISOR in connection with this Agreement or application therefore.

(iii) If there is any violation of any transfer and assignment provision contained in Paragraph 10 of this Agreement.

(iv) If AREA REPRESENTATIVE fails to comply with any required development obligations set forth on the development Schedule.

(v) If AREA REPRESENTATIVE receives from FRANCHISOR two (2) or more notices to cure the same or similar defaults or violations of this Agreement during any twelve (12) month period.

(vi) If AREA REPRESENTATIVE fails, for a period of fifteen (15) days after notification of non-compliance by appropriate authority to comply with any law or regulation applicable to the operation of the Area Representative Business.

(vii) If AREA REPRESENTATIVE violates any covenant of confidentiality or non-disclosure contained in Paragraph 9 of this Agreement, uses FRANCHISOR'S Proprietary Marks in violation of Paragraph 6 of this Agreement, or otherwise discloses, uses, permits the use of, copies, duplicates, records, transmits or otherwise reproduces any manuals, materials, goods or information created or used by FRANCHISOR and designated for confidential use within the System without FRANCHISOR'S prior approval.

(viii) If AREA REPRESENTATIVE or any person owning an interest in AREA REPRESENTATIVE is convicted of a felony, a crime of moral turpitude.

(ix) If AREA REPRESENTATIVE fails to perform or breaches any covenant, obligation, term, condition, warranty or certification herein or fails to operate the Area Representative Business as specified by FRANCHISOR in the Confidential Operations Manual and fails to cure such non-compliance or deficiency within thirty (30) days after FRANCHISOR'S written notice thereof.

(x) If AREA REPRESENTATIVE defaults on any other agreement with FRANCHISOR and such default is not cured in accordance with the terms of such other agreement.

(xi) If AREA REPRESENTATIVE fails to obtain or has revoked any license or registration necessary to sell System franchises.

(b) AREA REPRESENTATIVE may not terminate this Agreement prior to the expiration of its term except through legal process resulting from FRANCHISOR'S breach of this Agreement or otherwise with FRANCHISOR'S consent. In the event that AREA REPRESENTATIVE shall claim that FRANCHISOR has failed to meet any obligation under this Agreement, AREA REPRESENTATIVE shall provide FRANCHISOR with written notice of such claim, within one (1) year of its occurrence, specifically enumerating all alleged deficiencies and providing FRANCHISOR with an opportunity to cure, which shall in no event be less than thirty (30) days from the date of receipt of such notice by FRANCHISOR from AREA REPRESENTATIVE.

(c) Notwithstanding any other provision of this Paragraph 11, termination of this Agreement as a result of AREA REPRESENTATIVE'S default or otherwise shall not operate to terminate any Franchise Agreement to which AREA REPRESENTATIVE is a party, if AREA REPRESENTATIVE is in full compliance with the terms and provisions of such agreement(s).

12. POST TERM RIGHTS, OBLIGATIONS AND COVENANTS

(a) Upon the expiration or termination of this Agreement for any reason, AREA REPRESENTATIVE shall immediately:

(i) Cease to be the authorized area representative of FRANCHISOR in the Granted Territory;

(ii) Pay all sums owing to FRANCHISOR. Upon termination for any default by AREA REPRESENTATIVE, such sums shall include actual damages, costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by FRANCHISOR as a result of the default;

(iii) Return to FRANCHISOR the Confidential Operations Manual and all trade secrets, confidential materials and other property owned by FRANCHISOR. AREA REPRESENTATIVE shall retain no copy or record of any of the foregoing;

(iv) Upon FRANCHISOR'S request, provide FRANCHISOR a complete list of AREA REPRESENTATIVE'S employees, clients, customers, franchise prospects and contacts and their respective addresses and any outstanding obligations AREA REPRESENTATIVE may have to any third parties; and

(v) Take such action as may be required to transfer all trade name and similar registrations and business licenses to FRANCHISOR or its new AREA REPRESENTATIVE in the Granted Territory and to cancel any interest which AREA REPRESENTATIVE may have in the same.

(b) All right to any compensation due AREA REPRESENTATIVE hereunder shall immediately terminate upon the effective date of any termination or nonrenewal of this Agreement, and AREA REPRESENTATIVE shall have no further interest or rights in this Agreement nor any right to receive "monthly continuing fees" unpaid at the time of termination or nonrenewal, even though such fees or royalties may have accrued under any Franchise Agreements.

(c) AREA REPRESENTATIVE shall not, in any communication to any other AREA REPRESENTATIVE or franchise owner, disparage FRANCHISOR or interfere with any contract to which FRANCHISOR is a party.

13. INSURANCE

(a) AREA REPRESENTATIVE shall, at its expense and no later than upon commencement of the business contemplated by this Agreement, procure and maintain in full force and effect throughout the term of this Agreement the types of insurance enumerated in the Confidential Operations Manual which shall be in such amounts as may from time to time be required by FRANCHISOR and which shall designate FRANCHISOR as an additional named insured, including the following:

(i) Employer's liability and workers' compensation insurance as prescribed by law in the state(s) which include the Granted Territory;

(ii) Comprehensive automobile liability insurance covering physical damage, personal injury and uninsured motorists; and

(iii) Comprehensive general liability insurance covering the operation of the business contemplated by this Agreement;

(iv) AREA REPRESENTATIVE shall make timely delivery of certificates of all required insurance to FRANCHISOR, each of which shall contain a statement by the insurer that the policy will not be cancelled or materially altered without at least thirty (30) days' prior written notice to FRANCHISOR.

(b) The procurement and maintenance of such insurance shall not relieve AREA REPRESENTATIVE of any liability to FRANCHISOR under any indemnity requirement of this Agreement.

14. TAXES, PERMITS AND INDEBTEDNESS

(a) AREA REPRESENTATIVE shall promptly pay when due any and all federal, state and local taxes and all accounts or other indebtedness of every kind incurred by AREA REPRESENTATIVE in the operation of the business licensed hereunder.

(b) AREA REPRESENTATIVE shall comply with all federal, state and local laws, rules and regulations and timely obtain any and all permits, certificates and licenses for the full and proper conduct of the business licensed hereunder.

15. INDEMNIFICATION AND INDEPENDENT CONTRACTOR

(a) AREA REPRESENTATIVE agrees to protect, defend, indemnify and hold FRANCHISOR, its directors, officers and shareholders harmless from and against all claims, actions, proceedings, damages, costs, expenses and other losses and liabilities, consequently, directly or indirectly incurred (including, without limitation, reasonable attorneys' and accountants' fees) as a result of, arising out of, or connected with AREA REPRESENTATIVE’s duties and obligations pursuant to this Agreement.

(b) In all dealings with third parties including, without limitation, franchise owners, employees, suppliers, clients and customers, AREA REPRESENTATIVE shall disclose in an appropriate manner acceptable to FRANCHISOR that it is an independent entity licensed by FRANCHISOR. Nothing in this Agreement is intended by the parties hereto to create a fiduciary relationship between them nor to constitute AREA REPRESENTATIVE as a subsidiary, joint venturer, partner, or employee of FRANCHISOR for any purpose whatsoever. It is understood and agreed that AREA REPRESENTATIVE is an independent contractor and is in no way authorized to make any warranty or representation on behalf of FRANCHISOR other than those contained in any disclosure document prepared by FRANCHISOR for use by AREA REPRESENTATIVE, nor is AREA REPRESENTATIVE authorized to create any obligation or enter into any contract binding on FRANCHISOR.

16. WRITTEN APPROVALS, WAIVERS, AND AMENDMENT

(a) Whenever this Agreement requires FRANCHISOR'S prior approval, AREA REPRESENTATIVE shall make a timely written request, unless a different time period is specified in this Agreement, FRANCHISOR shall respond with its approval or disapproval within fifteen (15) business days. If written approval is not received by the AREA REPRESENTATIVE within such 15 business day period, FRANCHISOR shall be deemed to have disapproved the request.

(b) No failure of FRANCHISOR to exercise any power reserved to it by this Agreement and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of FRANCHISOR'S right to demand exact compliance with any of the terms herein. A waiver or approval by FRANCHISOR of any particular default by AREA REPRESENTATIVE shall not be considered a waiver or approval by FRANCHISOR of any preceding or subsequent breach by AREA REPRESENTATIVE of any term, covenant or condition of this Agreement.

(c) No amendment, change or variance from this Agreement shall be binding upon FRANCHISOR or AREA REPRESENTATIVE except by mutual written agreement. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you. If an amendment of this Agreement is executed at AREA REPRESENTATIVE'S request, any legal fees or preparation cost in connection therewith shall be paid by AREA REPRESENTATIVE.

(d) No warranty or representation is made by FRANCHISOR that all other agreements with Feng Cha Area Representatives heretofore or hereafter issued by FRANCHISOR do or will contain terms substantially similar to those contained in this Agreement. Further, Area Representative recognizes and agrees that FRANCHISOR may, in its reasonable business judgment, due to local business conditions or otherwise, waive or modify comparable provisions of other Area Representative agreements heretofore or hereafter granted to other Feng Cha System Area Representatives in a non-uniform manner.

17. ENFORCEMENT

(a) In order to ensure compliance with this Agreement and to provide consultation with AREA REPRESENTATIVE, AREA REPRESENTATIVE agrees that FRANCHISOR and its designated agents shall be permitted full and complete access during business hours to inspect AREA REPRESENTATIVE'S place of business and all records thereof. AREA REPRESENTATIVE shall cooperate fully with FRANCHISOR and its designated agents requesting such access.

(b) FRANCHISOR shall be entitled to obtain, without bond, declarations, temporary and permanent injunctions, and orders of specific performance, in order to enforce the provisions of this Agreement relating to AREA REPRESENTATIVE'S use of the Proprietary Marks, the obligations of AREA REPRESENTATIVE upon termination or expiration of this Agreement, the obligations of AREA REPRESENTATIVE specified in Paragraph 9 and Paragraph 10 hereof, and assignment of any interest in this Agreement, the Granted Territory and/or any ownership interest in AREA REPRESENTATIVE, or to prohibit any act or omission by AREA REPRESENTATIVE or its employees that constitutes a violation of any applicable law or regulation, is dishonest or misleading to prospective or current franchise owners operating under the Feng Cha System, constitutes a danger to franchise owners, employees, customers, clients or the public, or may impair the goodwill associated with the Proprietary Marks.

(c) If FRANCHISOR secures any declaration, injunction or order of specific performance pursuant to Paragraph 17(b) hereof, if any provision of this Agreement is enforced at any time by FRANCHISOR, or if any amounts due from AREA REPRESENTATIVE to FRANCHISOR are, at any time, collected by or through an attorney at law or collection agency, AREA REPRESENTATIVE shall be liable to FRANCHISOR for all costs and expenses of enforcement including, but not limited to, court costs and reasonable attorneys' fees.

18. NOTICES

Any notice required to be given hereunder shall be in writing and shall be mailed by registered or certified mail or hand delivered by a recognized courier service. Notices to AREA REPRESENTATIVE shall be addressed to it at the address listed in Paragraph I of this Agreement. Notices to FRANCHISOR shall be addressed to it at the address listed in Paragraph I of this Agreement, Attention: CEO. Any notice complying with the provisions hereof shall be deemed received three days after the date of mailing, or on the actual date of receipt, whichever is earlier.

19. GOVERNING LAW; VENUE

(a) Governing Law. This Agreement is accepted by FRANCHISOR in the State of Texas and shall be governed by and construed in accordance with the laws thereof, which laws shall prevail in the event of any conflict.

(b) Jurisdiction and Venue. Except as otherwise set forth herein, all disputes between the parties shall be brought in, and the parties expressly agree to the jurisdiction and venue of, any court of general jurisdiction in Dallas County, Texas or the United States District Court, Northern District of Texas.

(c) Mediation**.** Except for any action brought in accordance with Section 17(b) above and Section 19(e) below, any disputes and claims relating to this Agreement, the rights and obligations of the parties hereto, or any other claims or causes of action relating to the making, interpretation, or performance of either party under this Agreement, shall first be submitted for mediation administered by the American Arbitration Association ("AAA") in accordance with its Commercial Mediation Procedures before resorting to arbitration, litigation, or some other dispute resolution procedure. If submitted to mediation, the same shall take place before a sole mediator in Dallas, Texas at the office of the AAA located in Dallas, Texas. The parties shall each bear all of their own costs of mediation; provided, however, the fees of the mediator shall be divided equally between the AREA REPRESENTATIVE and FRANCHISOR.

(d) Arbitration. Except as set forth in Section 17(b) above or Section 19(e) below, disputes and claims relating to this Agreement, the rights and obligations of the parties hereto, or any other claims or causes of action relating to the making, interpretation, or performance of either party under this Agreement, will be submitted to arbitration at the office of the AAA located in Dallas, Texas, in accordance with the Federal Arbitration Act and the Commercial Arbitration Rules of the AAA. Any disputes to be resolved by arbitration shall be governed by the Federal Arbitration Act, as amended. The following shall supplement and, in the event of a conflict, shall govern any dispute submitted to arbitration. The parties shall select one arbitrator from the panel provided by the AAA and the arbitrator shall use the laws of Texas for interpretation of this Agreement. In selecting the arbitrator from the list provided by the AAA, the FRANCHISOR and AREA REPRESENTATIVE shall make the selection by the striking method. The arbitrator shall apply the Federal Rules of Evidence at the hearings. The arbitrator's award shall include interest from the date of any damages incurred, and from the date of the award until paid in full, at a rate to be fixed by the arbitrator, but in no event less than 1.5% per month, or part of a month, from the date until paid. The prevailing party shall be entitled to recover from the non-prevailing party all costs of arbitration, including, without limitation, the arbitrator's fee, attorneys' fees, interest, and costs of investigation. The arbitrator shall have no authority to amend or modify the terms of the Agreement. The FRANCHISOR and AREA REPRESENTATIVE further agree that, unless such a limitation is prohibited by applicable law, neither FRANCHISOR nor AREA REPRESENTATIVE shall be liable for punitive or exemplary damages, and the arbitrator shall have no authority to award the same. To the extent permitted by applicable law, no issue of fact or law shall be given preclusive or collateral estoppel effect in any arbitration hereunder, except to the extent such issue may have been determined in another proceeding between FRANCHISOR and AREA REPRESENTATIVE. Judgment upon the award of the arbitrator shall be submitted for confirmation to the United States District for the Northern District of Texas or any court of competent jurisdiction in Dallas County, Texas, and, if confirmed, may be subsequently entered in any court having competent jurisdiction. This agreement to arbitrate shall survive any termination or expiration of this Agreement.

(e) Injunctive Relief. Nothing contained in this Agreement shall prevent either party from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect the FRANCHISOR's or AREA REPRESENTATIVE's interests. The prevailing party shall be entitled to recover from the non-prevailing party all costs of such litigation, including, without limitation, attorneys' fees and costs.

(f) Franchisor's Costs and Expenses. Except as otherwise expressly provided by this Agreement, AREA REPRESENTATIVE shall pay all expenses, including attorneys' fees and costs, incurred by FRANCHISOR, its affiliates, and its successors and assigns (a) to remedy any of AREA REPRESENTATIVE's defaults of, or enforce any of the FRANCHISOR's rights under, this Agreement or to effect termination of this Agreement.

(g) WAIVER OF RIGHTS. FRANCHISOR AND AREA REPRESENTATIVE HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY AGREE AS FOLLOWS:

1. THE FRANCHISOR AND AREA REPRESENTATIVE BOTH EXPRESSLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY; AND

2. THE FRANCHISOR AND AREA REPRESENTATIVE BOTH EXPRESSLY WAIVE ANY CLAIM FOR PUNITIVE, MULTIPLE, AND/OR EXEMPLARY DAMAGES.

3. AREA REPRESENTATIVE AND FRANCHISOR WILL NOT BE ABLE TO BRING A CLASS ACTION OR OTHER REPRESENTATIVE ACTION IN

COURT NOR WILL EITHER PARTY BE ABLE TO BRING ANY CLAIM IN ARBITRATION AS A CLASS ACTION OR OTHER REPRESENTATIVE ACTION. AREA REPRESENTATIVE WILL NOT BE ABLE TO BE PART OF ANY CLASS ACTION OR OTHER REPRESENTATIVE ACTION BROUGHT BY ANYONE ELSE, OR BE REPRESENTED IN A CLASS ACTION OR OTHER REPRESENTATIVE ACTION.

20. SEVERABILITY AND CONSTRUCTION

(a) Should any provision of this Agreement be for any reason held invalid, illegal, or unenforceable, such provision shall be deemed restricted in application to the extent required to render it valid; and the remainder of this Agreement shall in no way be affected and shall remain valid and enforceable for all purposes, both parties hereto declaring that they would have executed this Agreement without inclusion of such provision. In the event such total or partial invalidity or unenforceability of any provision of this Agreement exists only with respect to the laws of a particular jurisdiction, this Paragraph 20 shall operate upon such provision only to the extent that the laws of such jurisdiction are applicable to such provision. Each party agrees to execute and deliver to the other any further documents that may be reasonably required to effectuate fully the provisions hereof. AREA REPRESENTATIVE understands and acknowledges that FRANCHISOR shall have the right, in its sole discretion, to reduce the scope of any covenant of this Agreement binding upon AREA REPRESENTATIVE, or any portion hereof, without AREA REPRESENTATIVE'S consent, effective immediately upon receipt by AREA REPRESENTATIVE of written notice thereof, and AREA REPRESENTATIVE agrees that it will comply forthwith with any covenant as so modified, which shall be fully enforceable.

(b) All references in this Agreement to "AREA REPRESENTATIVE" shall be deemed to include, personally and individually, the AREA REPRESENTATIVE, if AREA REPRESENTATIVE is an individual, all signatories hereto on behalf of AREA REPRESENTATIVE, and their successors, assigns, and legal AREA REPRESENTATIVES; and all acknowledgments, promises, covenants, agreements and obligations herein made or undertaken by AREA REPRESENTATIVE shall be deemed jointly and severally undertaken by them.

(c) This Agreement may be executed in multiple counterparts by the various parties and the failure to have the signatures of all parties on a single Agreement shall not affect the validity or enforceability of any part of this Agreement against any party who executes any counterpart of this Agreement. Digital or electronic signatures (pdf or electronically imaged signatures provided by DocuSign or any other bona fide digital signature provider) will be treated the same as handwritten signatures for the purposes of validity, enforceability and admissibility. Delivery of any such electronic signature, or a signed copy of this Agreement, may be made by email or other electronic transmission.

(d) The headings and captions contained herein are for the purposes of convenience and reference only and are not to be construed as a part of this Agreement. All terms and words used herein shall be construed to include the number and gender as the context of this Agreement may require. The parties agree that each section of this Agreement shall be construed independently of any other section or provision of this Agreement.

21. ACKNOWLEDGMENTS

AREA REPRESENTATIVE hereby acknowledges the following:

(a) AREA REPRESENTATIVE ACKNOWLEDGES THAT FRANCHISOR HAS PROVIDED AREA REPRESENTATIVE WITH A COPY OF THIS AGREEMENT AND ALL RELATED DOCUMENTS, FULLY COMPLETED, FOR AT LEAST SEVEN (7) CALENDAR DAYS PRIOR TO AREA REPRESENTATIVE'S EXECUTION HEREOF.

(b) AREA REPRESENTATIVE ACKNOWLEDGES THAT THIS INSTRUMENT CONSTITUTES THE ENTIRE AGREEMENT OF THE PARTIES. THIS AGREEMENT TERMINATES AND SUPERSEDES ANY PRIOR AGREEMENT BETWEEN THE PARTIES CONCERNING THE SAME SUBJECT MATTER. NOTWITHSTANDING THE FOREGOING, NOTHING IN THE AREA REPRESENTATIVE AGREEMENT IS INTENDED TO DISCLAIM THE EXPRESS REPRESENTATIONS MADE IN THE FRANCHISE DISCLOSURE DOCUMENT.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement under seal on the date first written above.

FRANCHISOR:
Cannect, LLC

By: ___________________________________
Name: __________________________
Title: __________________________

AREA REPRESENTATIVE:
By: ___________________________________
Name: __________________________
Title: __________________________

Exhibit 1

DESCRIPTION OF TERRITORY/ DEVELOPMENT FEE

1. Development Fee: ____________________

2. Description of Granted Territory: ______________.

Exhibit 2

Statement of Ownership Interest

Effective Date: This Exhibit 2 is current and complete as of __________, 20__

Area Representative's Owners

1. **Form of Owner**. (Choose (a) or (b))

(a) **Individual Proprietorship**. List individual(s):

____

____

____

(b) **Corporation, Limited Liability Company, or Partnership.** (CIRCLE ONE) You were incorporated or formed on ______________, under the laws of the State of _____________. You have not conducted business under any name other than your corporate, limited liability company, or partnership name. The following is a list of your directors, if applicable, managers, if applicable, and officers as of the effective date shown above:

Name of Each Director/Manager/Officer	Position(s) Held

2. **Owners**. The following list includes the full name of each person who is one of your equity owners, or an owner of one of your owners, and fully describes the nature of each owner's interest (attach additional pages if necessary).

	Owner's Name	Percentage/Description of Interest
(a)	______________________________	____________________________________
(b)	______________________________	____________________________________
(c)	______________________________	____________________________________
(d)	______________________________	____________________________________

[Signatures on following page.]

AREA REPRESENTATIVE

(IF YOU ARE A CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP):

____
[Print Name of Entity]

By:______________________________
[signature of person signing on behalf of entity]

Title of Signer:______________________

DATED:___________________________

(IF YOU ARE NOT A LEGAL ENTITY):

____
[signature of individual Area Representative]

Print Name:_________________________

DATED:___________________________

____
[signature of individual Area Representative]

Print Name:_________________________

DATED:___________________________

Exhibit 3

DEVELOPMENT SCHEDULE

AREA REPRESENTATIVE agrees that there shall be opened for business within the Granted Territory by the date indicated below and operating at all times thereafter during the term of this Agreement not less than the cumulative minimum number of Feng Cha franchised businesses listed in this Exhibit 3:

Year	**Feng Cha franchised businesses to be Opened**	**Total Number of Feng Cha franchised businesses to be Open and Operating**
Year 1		
Year 2		
Year 3		
Year 4		
Year 5		

Exhibit 4

GUARANTY OF AREA REPRESENTATIVE'S UNDERTAKINGS

In consideration of, and as an inducement to, the execution of the foregoing Area Representative Agreement (the "Agreement") by Cannect, LLC, ("Franchisor") each of the undersigned hereby guarantees unto Franchisor that_____________ ("Area Representative") will perform during the term of this Agreement each and every covenant, payment, agreement, and undertaking on the part of Area Representative contained and set forth in such Agreement.

Franchisor, it's successors and assigns, may from time to time, without notice to the undersigned (a) resort to the undersigned for payment of any of the liabilities, whether or not it or its successors have resorted to any property securing any of the liabilities or proceeded against any other of the undersigned or any party primarily or secondarily liable on any of the liabilities, (b) release or compromise any liability of any of the undersigned hereunder or any liability of any party or parties primarily or secondarily liable on any of the liabilities, and (c) extend, renew, or credit any of the liabilities for any period (whether or not longer than the original period); alter, amend, or exchange any of the liabilities; or, give any other form of indulgence whether under the Agreement or not.

The undersigned agree(s) to comply with and abide by the restrictive covenants and non-disclosure provisions contained in Paragraph 9 of the Agreement to the same extent as and for the same period of time as Area Representative is required to comply with and abide by such covenants and provisions. These obligations of the undersigned shall survive any termination, expiration, non-renewal or transfer of the Agreement or this Guaranty.

The undersigned further waives presentment, demand, notice of dishonor, protest, nonpayment, and all other notices whatsoever, including without limitation: notice of acceptance hereof, notice of all contracts and commitments; notice of the existence or creation of any liabilities under the foregoing Agreement or the amount and terms thereof, and notice of all defaults, disputes or controversies resulting from such Agreement or otherwise, and the settlement, compromise or adjustment thereof.

The undersigned agrees to pay all expenses paid or incurred by Franchisor in attempting to enforce the foregoing Agreement and this Guaranty against Area Representative and against the undersigned and in attempting to collect any amounts due thereunder and hereunder, including reasonable attorneys' fees if such enforcement or collection is by or through an attorney-at-law. Any waiver, extension of time, or other indulgence granted from time to time by Franchisor, its agents, their successors or assigns, with respect to the foregoing Agreement, shall in no way modify or amend this Guaranty, which shall be continuing, absolute, unconditional, and irrevocable.

If more than one person has executed this Guaranty, the term "the undersigned," as used herein shall refer to each such person, and the liability of each of the undersigned hereunder shall be joint and several and primary as sureties.

IN WITNESS WHEREOF, each of the undersigned has executed this Guaranty of Area Representative's under seal effective as of the date of the foregoing Agreement.

______________________________	____________________________
Witness	Guarantor
______________________________	____________________________
Witness	Guarantor

Exhibit 5

CONFIDENTIALITY AGREEMENT

1. Pursuant to an Area Representative Agreement dated _______________, 20___ (the "AR Agreement"), ______________________ (the "AR") has acquired the right to solicit new franchisees and provide preopening and ongoing support to franchisees of Cannect, LLC (the "Company") and the right to use the Company's trade names, service marks, trademarks, logos, emblems, and indicia of origin (the "Proprietary Marks"), as they may be changed, improved and further developed from time to time in the Company's sole discretion in the performance of those tasks only in the following Granted Territory: ___________________________ (the "Granted Territory").

2. The Company, as the result of the expenditure of time, skill, effort and resources, has developed and owns a distinctive format and system (the "System") relating to the establishment and operation of Feng Cha franchised businesses. The Company possesses certain proprietary and confidential information relating to the operation of the System, which includes certain proprietary trade secrets, methods, techniques, formats, specifications, systems, procedures, methods of business practices and management, sales and promotional techniques and knowledge of, and experience in, the operation of franchised businesses (the "Confidential Information").

3. In consideration for my position as ______________of the AR and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree to the terms of this Confidentiality Agreement (the "Agreement").

4. Any and all information, knowledge, know-how, and techniques which the Company specifically designates as confidential shall be deemed to be Confidential Information for purposes of this Agreement.

5. The Company and AR may disclose the Confidential Information to me via training programs, the Company's Confidential Operations Manuals (the "Manuals"), and other general assistance.

6. I will not acquire any interest in the Confidential Information, other than the right to utilize it in performing my duties for the AR and the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition. I covenant that I will not forward or provide the Confidential Information to any third party, nor store it on any personal or third party electronic device, disk, drive, or otherwise, unless expressly authorized to do so by the Company.

7. Any work performed by me with the AR and any derivative works created by me using the Confidential Information or any proprietary information of the Company are considered "works made for hire" and I will have no ownership interest in the items created.

8. The Confidential Information is proprietary, involves trade secrets of the

Company, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by the Company as confidential. Unless the Company otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my association with the AR, and will continue not to disclose or use any such information even after I cease to be associated with the AR, unless I can demonstrate that such information has become generally known to the public or easily accessible other than by the breach of an obligation of the AR under the AR Agreement, a breach of the employees or associates of the AR, or a breach of my own duties or the duties hereunder.

9. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. In the event any provision of this Agreement is ever deemed to exceed the limits permitted by any applicable law, the provisions set forth herein will be reformed to the extent necessary to make them reasonable and enforceable. The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of the remaining provisions, all of which are severable and will be given full force and effect.

10. I understand and acknowledge that the Company shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof; and I agree to comply forthwith with any covenant as so modified.

11. The Company is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the AR. I am aware that my violation of this Agreement will cause the Company and the AR irreparable harm; therefore, I acknowledge and agree that the AR and/or the Company may apply for the issuance of an injunction preventing me from violating this Agreement, in addition to any other remedies available to them, and I agree to pay the AR and the Company all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to the AR and the Company, any claim I have against the AR or the Company is a separate matter and does not entitle me to violate, or justify any violation of this Agreement.

12. This is not a contract for employment and does not guaranty my employment for any set period of time. I agree and understand that I have no employment relationship with the Company.

13. Subject to the rights of the AR and the Company in Section 11, if a dispute arises under this Agreement, it is agreed that all disputes, controversies, or claims shall be submitted to binding arbitration before the American Arbitration Association. It is acknowledged, understood and agreed that any such arbitration will be final and binding and that by agreeing to arbitration, the parties are waiving their respective rights to seek remedies in court, including the right to a jury trial. The parties waive, to the fullest extent permitted by law, any right they may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to this Agreement, whether based in contract, tort, statute (including any federal or state statute, law, ordinance or regulation), or any other legal theory. **It is expressly acknowledged, understood**

and agreed that: arbitration is final and binding; the parties are waiving their right to seek legal remedies in court including the right to a trial by jury; pre-arbitration discovery generally is more limited than and different from that available in court proceedings; the arbitrator's award is not required to include factual findings or legal reasoning; and any party's right to appeal or vacate, or seek modification of, the arbitration award, is strictly limited by law. It is understood, acknowledged and agreed that in any such arbitration, each party will be solely responsible for payment of his/her/its own counsel fees, with the costs of arbitration borne equally by the parties. Any such arbitration shall be governed by, and construed in accordance with, the law of the state of Texas and shall take place in Texas.

14. Any dispute in the meaning, understanding, effect, interpretation or validity of this Agreement will be resolved in accordance only with the laws of the State of Texas. The only way this Agreement can be changed is in writing signed by the Company, AR and me.

15. This Agreement will be binding upon and inure to the benefit of all parties including my heirs, personal representatives, successors and assigns and AR's and Company's officers, directors, executives, employees, representatives, successors, agents and assigns.

16. I understand that this Agreement may and will be assigned or transferred to, and will be binding upon and will inure to the benefit of, any successor of the Company, and any successor will be deemed substituted, for all purposes, as the "Company" under the terms of this Agreement. As used in this Agreement the term "successor" will mean any person, firm, corporation, or business entity which at any time, whether by merger, purchase or otherwise, acquires all or substantially all of the assets of the business of the Company. I acknowledge that the services to be rendered by me in my employment are unique and personal. Accordingly, I may not assign any of my rights nor delegate any of my duties or obligations under this Agreement.

Dated: ____________ Signature:______________________________________

Name:______________________________________

Address:____________________________________

Title:_______________________________________

ACKNOWLEDGED BY AREA REPRESENTATIVE

By:_____________________________________

Name:_______________________________

ACKNOWLEDGED BY COMPANY

By:________________________________

Name:______________________________

Exhibit C

STATE ADDENDUM

Cannect, LLC

ADDENDUM TO THE AREA REPRESENTATIVE FRANCHISE DISCLOSURE DOCUMENT AND AREA REPRESENTATIVE AGREEMENT

California:

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

THE FRANCHISOR'S WEBSITE www.fengchausa.com HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION at www.dfpi.ca.gov.

Neither the franchisor, nor any person or franchise broker identified in Item 2 of this disclosure document 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 the person from membership in the association or exchange.

California Business and Professions Code § 20000 through 20043 provide rights to the area representative concerning transfer, termination or non-renewal of a franchise. If the Area Representative Agreement contains a provision that is inconsistent with the law, the law will control.

The Area Representative Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. § 101 et seq.).

The Area Representative Agreement contains a covenant not to compete, which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

The Area Representative Agreement requires application of the laws of the State of Texas. This provision may not be enforceable under California law.

Prospective area representatives are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code § 20040.5, Code of Civil Procedure § 1281, and the Federal Arbitration Act) to any provisions of an Area Representative Agreement restricting venue to a forum outside the State of California.

§ 31125 of the California Corporations Code requires the franchisor to give the area representative a special disclosure document before soliciting a proposed material modification of an existing franchise.

The Area Representative Agreement requires the franchisee to sign a general release of claims as a condition of relocation, resale, or renewal of the franchise. § 31512 of the California Corporations Code provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Franchise Investment Law or any rule or order under it is void. Therefore, any general release of claims that you are required to sign under the Area Representative Agreement will be considered amended to delete any waiver of Franchisor's compliance with the Franchise Investment Law. This will not prevent Franchisor from requiring you to sign a general release of claims, including claims arising under the Franchise Investment Law, as part of the negotiated settlement of a dispute.

The Antitrust Law Section of the Office of the California Attorney General views maximum price agreements as per se violations of the Cartwright Act. Any restrictions on pricing may not be enforceable under California law.

The Area Representative Agreement may contain a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The highest interest rate allowed by law in California is 10% annually.

The Area Representative Agreement prohibits you from employing individual for a period of time after the term of the Area Representative Agreement. This provision is not enforceable in California and is therefore deleted from the Area Representative Agreement.

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

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise. See NASAA STATEMENT OF POLICY REGARDING THE USE OF FRANCHISE QUESTIONNAIRES AND ACKNOWLEDGMENTS. https://www.nasaa.org/wp-content/uploads/2022/11/sop-franchise-questionnaires.pdf.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated ______________________________

FRANCHISOR

By:

Name:

Title:

AREA REPRESENTATIVE:

By:

Name:

Title:____________________________

Exhibit D

FINANCIAL STATEMENTS

Cannect, LLC

Cannect LLC
Balance Sheet
As of August 31, 2024

	Total
ASSETS	
Current Assets	
Cash and Cash Equivalents	337,472.19
Accounts Receivable	2,993.92
Other Current Assets	40,070.20
Total Current Assets	**$ 380,536.31**
Fixed Assets	
Buildings and other depreciable assets	160,899.94
Accumulated Depreciation	-41,946.21
Total Fixed Assets	**$ 118,953.73**
Other Assets	
Loan to Others	935,050.06
Total Other Assets	**$ 935,050.06**
TOTAL ASSETS	**$ 1,434,540.10**
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	-18,588.38
Other Current Liabilities	
Tax Payable	30,059.72
Total Other Current Liabilities	**$ 30,059.72**
Total Current Liabilities	**$ 11,471.34**
Long-Term Liabilities	2,241,734.60
Total Liabilities	**$ 2,253,205.94**
Equity	
Partner Distributions	-1,591,029.76
Partner Contributions	515,596.74
Retained Earnings	-11,476.29
Net Income	268,243.47
Total Equity	**-$ 818,665.84**
TOTAL LIABILITIES AND EQUITY	**$ 1,434,540.10**

Cannect LLC

Profit and Loss

January - August, 2024

	TOTAL
Income	
App Fee	70,602.08
App Fee Refund	-834.00
Discounts/Refunds Given	-57.95
Franchise	45,000.00
Franchise Fee Refund	-15,000.00
Royalty	517,188.85
Royalty Refund	-22,822.49
Services	142,925.72
Total Income	**$737,002.21**
GROSS PROFIT	**$737,002.21**
Expenses	
Advertising & Marketing	21,950.42
Conference Fees	1,890.00
Total Advertising & Marketing	**23,840.42**
Automobile Expense	
Auto Insurance	3,828.82
Auto Repair	538.45
Gas Expense	24.83
Total Automobile Expense	**4,392.10**
Bank Charges & Fees	921.30
Payroll Processing Fee	787.75
Total Bank Charges & Fees	**1,709.05**
Contractors	39,817.16
Dues & Subscriptions	30,578.94
Employee Benefit	3,811.85
Insurance	
Business Insurance	28,674.36
Total Insurance	**28,674.36**
Legal & Professional Services	
Accounting Fee	5,478.00
Legal Expenses	22,805.00
Professional Expenses	4,649.45
Total Legal & Professional Services	**32,932.45**
Meals & Entertainment	188.68
Meals	9,302.37
Total Meals & Entertainment	**9,491.05**
Office Expense	1,106.06
Membership Fees	1,576.16
Office Software	3,829.43
Total Office Expense	**6,511.65**

Cannect LLC

Profit and Loss

January - August, 2024

	TOTAL
Office Supplies	18,219.94
Parking & Toll	632.50
Payroll Expenses	
Company Contributions	
Health Insurance	16,658.05
Retirement	816.66
Total Company Contributions	**17,474.71**
Taxes	63,759.43
Wages	134,772.72
Total Payroll Expenses	**216,006.86**
Pest Control	1,471.11
Reimbursements	689.00
Rent & Lease	45,000.00
Repairs & Maintenance	3,531.99
Shipping, Freight & Delivery	364.92
Taxes & Licenses	622.50
Telephone Phone	875.39
Training	6,600.00
Travel	2,370.41
Travel Meals	9.58
Total Travel	**2,379.99**
Uniform	81.98
Utilities	4,546.82
Total Expenses	**$482,782.03**
NET OPERATING INCOME	**$254,220.18**
Other Income	
Interest Income	6.60
Rebate	14,016.69
Total Other Income	**$14,023.29**
NET OTHER INCOME	**$14,023.29**
NET INCOME	**$268,243.47**

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.

CANNECT, LLC

FINANCIAL STATEMENTS

DECEMBER 31, 2023

CANNECT, LLC

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

TABLE OF CONTENTS

ADAM J. BAKER
Certified Public Accountant

Independent Auditor's Report

To whom it may concern:

We have audited the accompanying financial statements of CANNECT, LLC (the Company), a nonprofit organization, which comprise the Balance Sheet as of December 31, 2023, and the related Income Statements, and Statement of Cash Flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CANNECT, LLC as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Adam J Baker, CPA

Adam J. Baker
Certified Public Accountant
Underwood, Minnesota

February 19, 2024

CANNECT, LLC
BALANCE SHEET
AS OF DECEMBER 31, 2023

	Dec 31, 23	Dec 31, 22
ASSETS		
Current Assets		
Checking/Savings		
Chase Checking 0707	$ 53,389	$ 113,312
Hancock Whitney 3037	79,314	64,367
Hancock Whitney 7413	1,058	30,001
Chase Saving Account - 2363	34,277	6,251
Petty Cash	857	857
Total Checking/Savings	168,895	214,788
Accounts Receivable	3,738	10,170
Other Current Assets		
Security Deposits	5,000	5,000
Note Receivable - Feng Cha Flagship Store Sale	9,000	9,000
Total Current Assets	186,633	238,958
Fixed Assets		
Accumulated Depreciation	(41,946)	(17,793)
Computer and Equipment	23,788	5,716
Furniture and Equipment	28,394	27,854
Vehicles	101,866	94,558
Total Fixed Assets	112,102	110,335
Other Assets		
Loan - Feng Cha USA, LLC	855,324	855,324
Loan - Catunnel	75,020	75,347
Loan - Offo	4,706	4,706
Total Other Assets	935,050	935,377
TOTAL ASSETS	**$ 1,233,785**	**$ 1,284,670**
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Credit Cards		
Hancock Whitney 1172	$ 233	$ 233
Chase Ink 0570	13,642	(410)
Total Credit Cards	13,875	(177)
Other Current Liabilities		
Payroll Liabilities	125,491	62,189
Retirment Payable	80,237	80,237
Unearned Revenue - Royalty	-	2,917
Total Other Current Liabilities	205,728	145,343
Total Current Liabilities	219,603	145,166
Long Term Liabilities		
Loans Payable	37,735	37,735
Unearned Revenue - Franchise	1,761,500	1,704,000
Total Long Term Liabilities	1,799,235	1,741,735
Total Liabilities	2,018,838	1,886,901
Equity		
Member Draws - Yan Chen	(1,018,466)	(527,206)
Member Draws - Zhongming Gao	(402,564)	(392,564)
Partner Contribution	278,552	217,972
Retained Earnings	31,312	(118,651)
Net Income	326,114	218,218
Total Equity	(785,052)	(602,231)
TOTAL LIABILITIES & EQUITY	**$ 1,233,786**	**$ 1,284,670**

CANNECT, LLC
INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2023

	Jan - Dec 23
Ordinary Income/Expense	
Income	
Sales	
App Fee (net of discounts and refunds)	76,481
Sales - Franchise	423,500
Sales - Location Identity	10,250
Sales - Royalty	457,137
Sales - Services	148,158
Other Income	24,266
Total Sales	1,139,792
Total Income	1,139,792
Gross Profit	1,139,792
Expense	
Advertising and Promotion	58,129
Automobile Expense	3,922
Bank Service Charges	2,465
Contractors	10,260
Depreciation Expense	24,153
Dues and Subscriptions	104,729
Employee Benefit	37,557
Employee Pension Expense	2,660
Insurance Expense	42,379
Job Supplies	2,385
Meals and Entertainment	
Entertainment	4,381
Meals and Entertainment - Other	6,435
Total Meals and Entertainment	10,816
Office Expense	21,093
Office Supplies	11,065
Parking and Toll	990
Payroll Expenses	336,534
Payroll Processing Fee	0
Payroll Tax	24,779
Pest Control	1,961
Postage and Delivery	1,296
Professional and Legal Expense	
Accounting Expense	11,834
Legal Expense	14,914
Professional Expense	6,528
Total Professional and Legal Expense	33,276
Reimbursements	15,019
Rent Expense	55,609
Repairs and Maintenance	3,049
Research and Development	639
Taxes and Licenses	225
Training	8,550
Travel Expense	6,830
Uniform	2,410
Utilities	6,432
Total Expense	829,212
Net Ordinary Income	310,580
Other Income/Expense	
Other Income	
Interest Income	2,006
Rebate	13,528
Net Other Income	15,534
Net Income	**326,114**

CANNECT, LLC
STATEMENT OF CASH FLOWS
AS OF DECEMBER 31, 2023

	Jan - Dec 23
OPERATING ACTIVITIES	
Net Income	$ 326,114
Adjustments to reconcile Net Income	
to net cash provided by operations:	
Accounts Receivable	(6,432)
Depreciation	24,153
Credit Card	14,052
Payroll Liabilities	92,919
Net cash provided by Operating Activities	450,806
INVESTING ACTIVITIES	
Accumulated Depreciation	24,153
Computers & Equipment	(18,072)
Furniture & Fixtures	(540)
Vehicles	(7,304)
Loan - Catunnel	327
Net cash provided by Investing Activities	(1,436)
FINANCING ACTIVITIES	
Unearned Revenue - Franchise	(54,583)
Member Draws - Yan Chen	(491,260)
Member Draws - Zhongming Gao	(10,000)
Partner Contribution	60,580
Net cash provided by Financing Activities	(495,263)
Net cash increase for period	(45,893)
Cash at beginning of period	214,788
Cash at end of period	**$ 168,895**

1. General and Summary of Significant Accounting Policies:

Nature of operations: As used herein, the terms "CANNECT, LLC.," the "Company," or similar terms refer to CANNECT, LLC.

The Company is a franchisor management company that sells franchise (collecting franchise fee, manages franchise brand (monthly loyalty fee) and expands franchise.

Basis of presentation: The consolidated financial statements of the Company are prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and include the accounts of all of its subsidiaries. All significant intercompany accounts and transactions have been eliminated. The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect reported amounts and disclosures. Realized results could differ from those estimates and assumptions. Certain prior year amounts have been reclassified for consistency with the current year presentation.

Cash and cash equivalents: The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Uninsured cash balances: The Company has not, and does not, plan to have cash balances which exceed federally insured amounts at various financial institutions.

Revenue recognition: In May 2014, the FASB issued ASU 2014-09, which amends ASC Topic 606, "Revenue from Contracts with Customers." The amendments in the ASU provide a five-step analysis of contracts to determine when and how revenue is recognized and replaces most existing revenue recognition guidance in GAAP. The core principle of the new guidance is that an entity should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity receives or expects to receive. The amendments in this ASU are effective for annual reporting periods beginning after December 15, 2018 for private entities. The Company has adopted the guidance as of January 1, 2019 using the modified retrospective transition method. However, because adoption of this guidance did not change the timing or amount of the Company's recognition of revenue, there was no adjustment to retained earnings needed as part of adoption of the new standard.

Revenue from franchise sale is recognized upon services and procedures that the Company need to perform, and the acceptance of the franchise contract by the Company's customers. Revenue from franchise management is recognized upon services performed monthly.

Property and equipment: Property and equipment, including improvements that significantly add to the productive capacity or extend useful life, are recorded at cost. Maintenance and repairs are expensed currently. Property and equipment are depreciated over their useful lives using the straight-line method of depreciation. Software and computer equipment are amortized or depreciated over three to five years. Furniture and fixtures are depreciated over five to ten years. Equipment is depreciated over five to seven years. Leasehold improvements are depreciated over the lesser of the useful life, which ranges from three to ten years, or the remaining term of the lease. Building improvements are depreciated straight-line over ten to thirty-nine years. When property is sold or retired, the cost and related accumulated depreciation are removed from the balance sheet and any gain or loss is included in the income statement.

Investment in other entities: The Company has majority of ownership and controlling interest in other entities and the other entities' net income or loss were consolidated to the Company's net loss.

Advertising costs: Advertising costs are expensed when incurred.

1. General and Summary of Significant Accounting Policies (Continued):

Income Taxes: The Company, with the consent of its members, has elected under the Internal Revenue Code to be treated as a partnership. Under the election, the Company does not pay federal corporate income taxes on its taxable income. Instead, the members are liable for individual income taxes on their respective shares of corporate income. Accordingly, no provision has been made for federal income tax in the accompanying financial statements. Current state income tax will be provided for at applicable rates.

Deferred state income taxes are provided for the temporary differences between the carrying values of the Company's assets and liabilities for financial reporting purposes and their corresponding income tax basis.

The temporary differences reflected are attributable to unrealized holding gains derived from the difference of the fair value over amortized cost of marketable securities available for sale, as well as utilizing different depreciation methods for income tax purposes. The temporary difference is computed by applying current statutory rates to the taxable temporary difference of the asset in the financial statements.

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

Significant estimates have been made by management with respect to the timing and amount of future cash collections of the Company's finance receivables portfolios. Actual results could differ from these estimates making it reasonably possible that a change in these estimates could occur within one year.

2. Property and Equipment, net:
Property and Equipment at December 31, 2023, are as follows:

Computer and Equipment	$23,788
Vehicles	$101,866
Other	$28,394
Less: Accumulated Depreciation	($41,946)
Net Property and Equipment	$112,102

3. Evaluation of Subsequent Events:

The Company has evaluated subsequent events through February 19, 2024, the date which the financial statements were available to be issued. It has been determined that no events have occurred that would require adjustments to our disclosures in these financial statements.

CANNECT, LLC

FINANCIAL STATEMENTS

DECEMBER 31, 2022

CANNECT, LLC

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

TABLE OF CONTENTS

ADAM J. BAKER
Certified Public Accountant

Independent Auditor's Report

To whom it may concern:

We have audited the accompanying financial statements of CANNECT, LLC (the Company), a nonprofit organization, which comprise the Balance Sheet as of December 31, 2022, and the related Income Statements, and Statement of Cash Flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

CANNECT, LLC

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CANNECT, LLC as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Adam J Baker, CPA

Adam J. Baker
Certified Public Accountant
Underwood, Minnesota

March 15, 2023

CANNECT, LLC
BALANCE SHEET
AS OF DECEMBER 31, 2022

	Dec 31, 22
ASSETS	
Current Assets	
Checking/Savings	
Chase Checking 0707	$ 113,312
Hancock Whitney 3037	64,367
Hancock Whitney 4419	30,001
Chase Saving Account - 2383	6,251
Petty Cash	857
Total Checking/Savings	214,788
Accounts Receivable	10,170
Other Current Assets	
Security Deposits	5,000
Note Receivable - Feng Cha Flagship Store Sale	9,000
Total Current Assets	238,958
Fixed Assets	
Accumulated Depreciation	(17,793)
Computer and Equipment	5,716
Furniture and Equipment	27,854
Vehicles	94,558
Total Fixed Assets	110,335
Other Assets	
Loan - Feng Cha USA, LLC	855,324
Loan - Catunnel	75,347
Loan - Offo	4,706
Total Other Assets	935,377
TOTAL ASSETS	$ 1,284,670
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
Hancock Whitney 1172	$ 233
Chase Ink 0570	(410)
Total Credit Cards	(177)
Other Current Liabilities	
Payroll Liabilities	62,189
Retirment Payable	80,237
Unearned Revenue - Royalty	2,917
Total Other Current Liabilities	145,343
Total Current Liabilities	145,166
Long Term Liabilities	
Loans Payable	37,735
Unearned Revenue - Franchise	1,704,000
Total Long Term Liabilities	1,741,735
Total Liabilities	1,886,901
Equity	
Member Draws - Yan Chen	(527,206)
Member Draws - Zhongming Gao	(392,564)
Partner Contribution	217,972
Retained Earnings	(118,651)
Net Income	218,218
Total Equity	(602,231)
TOTAL LIABILITIES & EQUITY	$ 1,284,670

CANNECT, LLC
INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2022

	Jan - Dec 22
Ordinary Income/Expense	
Income	
Sales	
App Fee (net of discounts and refunds)	55,418
Sales - Franchise	299,500
Sales - Location Identity	233,500
Sales - Royalty	270,968
Sales - Services	36,749
Other Income	4,595
Total Sales	900,730
Total Income	900,730
Gross Profit	900,730
Expense	
Advertising and Promotion	36,345
Automobile Expense	13,517
Bank Service Charges	954
Contractors	33,775
Depreciation Expense	9,724
Donations	300
Dues and Subscriptions	41,813
Employee Benefit	32,402
Insurance Expense	30,441
Meals and Entertainment	
Entertainment	241
Meals and Entertainment - Other	7,530
Total Meals and Entertainment	7,771
Office Supplies	11,734
Parking and Toll	735
Payroll Expenses	236,131
Payroll Processing Fee	76
Payroll Tax	17,047
Postage and Delivery	3,848
Professional and Legal Expense	
Accounting Expense	10,312
Legal Expense	15,494
Professional Expense	9,180
Total Professional and Legal Expense	34,986
Rent Expense	73,963
Repairs and Maintenance	32,512
Taxes and Licenses	4,946
Training	11,486
Travel Expense	33,594
Utilities	10,366
Total Expense	678,466
Net Ordinary Income	222,264
Other Income/Expense	
Other Income	
Interest Income	49
Rebate	220
Total Other Income	269
Other Expense	
Interest Expense	4,315
Total Other Expense	4,315
Net Other Income	-4,046
Net Income	218,218

CANNECT, LLC
STATEMENT OF CASH FLOWS
AS OF DECEMBER 31, 2022

	Jan - Dec 22
OPERATING ACTIVITIES	
Net Income	$ 218,218
Adjustments to reconcile Net Income	
to net cash provided by operations:	
Accounts Receivable	(10,170)
Note Receivable - Feng Cha Flagship Store Sale	12,000
Security Deposits	(5,000)
Credit Card	(10,139)
Payroll Liabilities	93,015
Net cash provided by Operating Activities	297,924
INVESTING ACTIVITIES	
Accumulated Depreciation	9,724
Computers & Equipment	(918)
Furniture & Fixtures	(2,032)
Vehicles	(94,558)
Loan - Offo	(4,706)
Loan - Catunnel	(11,645)
Net cash provided by Investing Activities	(104,135)
FINANCING ACTIVITIES	
Unearned Revenue - Franchise	380,500
Loans Payable - Tesla	37,735
Member Draws - Yan Chen	(411,120)
Member Draws - Zhongming Gao	(100,000)
Partner Contribution	26,505
Net cash provided by Financing Activities	(66,380)
Net cash increase for period	127,409
Cash at beginning of period	87,379
Cash at end of period	$ 214,788

1. General and Summary of Significant Accounting Policies:

Nature of operations: As used herein, the terms "CANNECT, LLC.," the "Company," or similar terms refer to CANNECT, LLC.

The Company is a franchisor management company that sells franchise (collecting franchise fee, manages franchise brand (monthly loyalty fee) and expands franchise.

Basis of presentation: The consolidated financial statements of the Company are prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and include the accounts of all of its subsidiaries. All significant intercompany accounts and transactions have been eliminated. The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect reported amounts and disclosures. Realized results could differ from those estimates and assumptions. Certain prior year amounts have been reclassified for consistency with the current year presentation.

Cash and cash equivalents: The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Uninsured cash balances: The Company has not, and does not, plan to have cash balances which exceed federally insured amounts at various financial institutions.

Revenue recognition: In May 2014, the FASB issued ASU 2014-09, which amends ASC Topic 606, "Revenue from Contracts with Customers." The amendments in the ASU provide a five-step analysis of contracts to determine when and how revenue is recognized and replaces most existing revenue recognition guidance in GAAP. The core principle of the new guidance is that an entity should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity receives or expects to receive. The amendments in this ASU are effective for annual reporting periods beginning after December 15, 2018 for private entities. The Company has adopted the guidance as of January 1, 2019 using the modified retrospective transition method. However, because adoption of this guidance did not change the timing or amount of the Company's recognition of revenue, there was no adjustment to retained earnings needed as part of adoption of the new standard.

Revenue from franchise sale is recognized upon services and procedures that the Company need to perform, and the acceptance of the franchise contract by the Company's customers. Revenue from franchise management is recognized upon services performed monthly.

Property and equipment: Property and equipment, including improvements that significantly add to the productive capacity or extend useful life, are recorded at cost. Maintenance and repairs are expensed currently. Property and equipment are depreciated over their useful lives using the straight-line method of depreciation. Software and computer equipment are amortized or depreciated over three to five years. Furniture and fixtures are depreciated over five to ten years. Equipment is depreciated over five to seven years. Leasehold improvements are depreciated over the lesser of the useful life, which ranges from three to ten years, or the remaining term of the lease. Building improvements are depreciated straight-line over ten to thirty-nine years. When property is sold or retired, the cost and related accumulated depreciation are removed from the balance sheet and any gain or loss is included in the income statement.

Investment in other entities: The Company has majority of ownership and controlling interest in other entities and the other entities' net income or loss were consolidated to the Company's net loss.

Advertising costs: Advertising costs are expensed when incurred.

1. General and Summary of Significant Accounting Policies (Continued):

Income Taxes: The Company, with the consent of its members, has elected under the Internal Revenue Code to be treated as a partnership. Under the election, the Company does not pay federal corporate income taxes on its taxable income. Instead, the members are liable for individual income taxes on their respective shares of corporate income. Accordingly, no provision has been made for federal income tax in the accompanying financial statements. Current state income tax will be provided for at applicable rates.

Deferred state income taxes are provided for the temporary differences between the carrying values of the Company's assets and liabilities for financial reporting purposes and their corresponding income tax basis.

The temporary differences reflected are attributable to unrealized holding gains derived from the difference of the fair value over amortized cost of marketable securities available for sale, as well as utilizing different depreciation methods for income tax purposes. The temporary difference is computed by applying current statutory rates to the taxable temporary difference of the asset in the financial statements.

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

Significant estimates have been made by management with respect to the timing and amount of future cash collections of the Company's finance receivables portfolios. Actual results could differ from these estimates making it reasonably possible that a change in these estimates could occur within one year.

2. Property and Equipment, net:
Property and Equipment at December 31, 2022, are as follows:

Computer and Equipment	$5,716
Vehicles	$94,558
Other	$27,854
Less: Accumulated Depreciation	($17,793)
Net Property and Equipment	$110,335

3. Evaluation of Subsequent Events:

The Company has evaluated subsequent events through March 15, 2023, the date which the financial statements were available to be issued. It has been determined that no events have occurred that would require adjustments to our disclosures in these financial statements.

CANNECT, LLC

FINANCIAL STATEMENTS

DECEMBER 31, 2021

CANNECT, LLC

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

TABLE OF CONTENTS

ADAM J. BAKER

Certified Public Accountant

Independent Auditor's Report

To whom it may concern:

We have audited the accompanying financial statements of CANNECT, LLC (the Company), a nonprofit organization, which comprise the Balance Sheet as of December 31, 2021, and the related Income Statements, and Statement of Cash Flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

CANNECT, LLC

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CANNECT, LLC as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Adam J Baker, CPA

Adam J. Baker
Certified Public Accountant
Underwood, Minnesota

March 8, 2022

CANNECT, LLC
BALANCE SHEET
AS OF DECEMBER 31, 2021

	Dec 31, 21
ASSETS	
Current Assets	
Checking/Savings	
Chase Checking 0707	$ 30,976
Hancock Whitney 3037	20,100
Chase Saving Account - 2363	35,203
Petty Cash	1,100
Total Checking/Savings	87,379
Other Current Assets	
Note Receivable - Feng Cha Flagship Store Sale	21,000
Total Current Assets	108,379
Fixed Assets	
Accumulated Depreciation	(8,069)
Computer and Equipment	4,798
Furniture and Equipment	25,822
Total Fixed Assets	22,551
Other Assets	
Loan - Feng Cha USA, LLC	855,324
Loan - Catunnel	63,702
Total Other Assets	919,026
TOTAL ASSETS	**$ 1,049,956**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
Chase Ink 0570	$ 9,092
Total Credit Cards	9,092
Other Current Liabilities	
Payroll Liabilities	49,410
Unearned Revenue - Royalty	2,917
Total Other Current Liabilities	52,327
Total Current Liabilities	61,419
Long Term Liabilities	
Unearned Revenue - Franchise	1,323,500
Total Long Term Liabilities	1,323,500
Total Liabilities	1,384,919
Equity	
Member Draws - Yan Chen	(116,086)
Member Draws - Zhongming Gao	(292,564)
Partner Contribution	191,467
Retained Earnings	(144,655)
Net Income	26,875
Total Equity	(334,963)
TOTAL LIABILITIES & EQUITY	**$ 1,049,956**

CANNECT, LLC
INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2021

	Jan - Dec 21
Ordinary Income/Expense	
Income	
Sales	
App Fee (net of discounts and refunds)	$ 21,567
Sales - Franchise	271,000
Sales - Royalty	128,109
Sales - Services	7,104
Total Sales	$ 427,780
Total Income	$ 427,780
Gross Profit	427,780
Expense	
Advertising and Promotion	8,450
Automobile Expense	8,091
Bank Service Charges	938
Contractors	1,745
Depreciation Expense	4,918
Dues and Subscriptions	21,973
Employee Benefit	2,920
Insurance Expense	19,840
Meals and Entertainment	
Entertainment	148
Meals and Entertainment - Other	4,481
Total Meals and Entertainment	4,629
Office Supplies	14,583
Parking and Toll	2,140
Payroll Expenses	175,067
Payroll Processing Fee	163
Payroll Tax	13,380
Postage and Delivery	415
Professional and Legal Expense	
Accounting Expense	7,231
Legal Expense	13,842
Professional Expense	8,445
Total Professional and Legal Expense	29,518
Rent Expense	45,214
Repairs and Maintenance	3,782
Security	50
Taxes and Licenses	474
Training	2,250
Travel Expense	8,990
Uniform	567
Utilities	7,989
Total Expense	$ 378,086
Net Ordinary Income	$ 49,694
Other Income/Expense	
Other Income	
Interest Income	194
PPP Loan Forgiveness	32,375
Total Other Income	$ 32,569
Other Expense	
Loss on Investment	
loss on Investment - Feng Cha F	55,388
Total Loss on Investment	55,388
Total Other Expense	$ 55,388
Net Other Income	$ -22,819
Net Income	$ 26,875

CANNECT, LLC
STATEMENT OF CASH FLOWS
AS OF DECEMBER 31, 2021

	Jan - Dec 21
OPERATING ACTIVITIES	
Net Income	$ 26,875
Adjustments to reconcile Net Income	
to net cash provided by operations:	
Note Receivable - Feng Cha Flagship Store Sale	(21,000)
Chase Ink 0570	2,274
Payroll Liabilities	15,422
Unearned Revenue - Royalty	2,917
Net cash provided by Operating Activities	26,488
INVESTING ACTIVITIES	
Accumulated Depreciation	4,918
Computers & Equipment	(3,944)
Furniture & Fixtures	(16,476)
Loan - Feng Cha USA, LLC	(765,018)
Loan - Catunnel	(218)
Net cash provided by Investing Activities	(780,738)
FINANCING ACTIVITIES	
Unearned Revenue - Franchise	729,000
Member Draws - Yan Chen	(7,059)
Member Draws - Zhongming Gao	(100,000)
Partner Contribution	(100)
Net cash provided by Financing Activities	621,841
Net cash increase for period	(132,409)
Cash at beginning of period	219,788
Cash at end of period	$ 87,379

CANNECT, LLC
Notes to Financial Statements

1. General and Summary of Significant Accounting Policies:

Nature of operations: As used herein, the terms "CANNECT, LLC.," the "Company," or similar terms refer to CANNECT, LLC.

The Company is a franchisor management company that sells franchise (collecting franchise fee, manages franchise brand (monthly loyalty fee) and expands franchise.

Basis of presentation: The consolidated financial statements of the Company are prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and include the accounts of all of its subsidiaries. All significant intercompany accounts and transactions have been eliminated. The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect reported amounts and disclosures. Realized results could differ from those estimates and assumptions. Certain prior year amounts have been reclassified for consistency with the current year presentation.

Cash and cash equivalents: The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Uninsured cash balances: The Company has not, and does not, plan to have cash balances which exceed federally insured amounts at various financial institutions.

Revenue recognition: In May 2014, the FASB issued ASU 2014-09, which amends ASC Topic 606, "Revenue from Contracts with Customers." The amendments in the ASU provide a five-step analysis of contracts to determine when and how revenue is recognized and replaces most existing revenue recognition guidance in GAAP. The core principle of the new guidance is that an entity should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity receives or expects to receive. The amendments in this ASU are effective for annual reporting periods beginning after December 15, 2018 for private entities. The Company has adopted the guidance as of January 1, 2019 using the modified retrospective transition method. However, because adoption of this guidance did not change the timing or amount of the Company's recognition of revenue, there was no adjustment to retained earnings needed as part of adoption of the new standard.

Revenue from franchise sale is recognized upon services and procedures that the Company need to perform, and the acceptance of the franchise contract by the Company's customers. Revenue from franchise management is recognized upon services performed monthly.

Property and equipment: Property and equipment, including improvements that significantly add to the productive capacity or extend useful life, are recorded at cost. Maintenance and repairs are expensed currently. Property and equipment are depreciated over their useful lives using the straight-line method of depreciation. Software and computer equipment are amortized or depreciated over three to five years. Furniture and fixtures are depreciated over five to ten years. Equipment is depreciated over five to seven years. Leasehold improvements are depreciated over the lesser of the useful life, which ranges from three to ten years, or the remaining term of the lease. Building improvements are depreciated straight-line over ten to thirty-nine years. When property is sold or retired, the cost and related accumulated depreciation are removed from the balance sheet and any gain or loss is included in the income statement.

Investment in other entities: The Company has majority of ownership and controlling interest in other entities and the other entities' net income or loss were consolidated to the Company's net loss.

Advertising costs: Advertising costs are expensed when incurred.

CANNECT, LLC
Notes to Financial Statements

1. General and Summary of Significant Accounting Policies (Continued):

Income Taxes: The Company, with the consent of its members, has elected under the Internal Revenue Code to be treated as a partnership. Under the election, the Company does not pay federal corporate income taxes on its taxable income. Instead, the members are liable for individual income taxes on their respective shares of corporate income. Accordingly, no provision has been made for federal income tax in the accompanying financial statements. Current state income tax will be provided for at applicable rates.

Deferred state income taxes are provided for the temporary differences between the carrying values of the Company’s assets and liabilities for financial reporting purposes and their corresponding income tax basis.

The temporary differences reflected are attributable to unrealized holding gains derived from the difference of the fair value over amortized cost of marketable securities available for sale, as well as utilizing different depreciation methods for income tax purposes. The temporary difference is computed by applying current statutory rates to the taxable temporary difference of the asset in the financial statements.

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

Significant estimates have been made by management with respect to the timing and amount of future cash collections of the Company's finance receivables portfolios. Actual results could differ from these estimates making it reasonably possible that a change in these estimates could occur within one year.

2. Property and Equipment, net:

Property and Equipment at December 31, 2021, are as follows:

Computer and Equipment	$4,798
Other	$25,822
Less: Accumulated Depreciation	($8,069)
Net Property and Equipment	$22,551

3. Evaluation of Subsequent Events:

The Company has evaluated subsequent events through March 8, 2022, the date which the financial statements were available to be issued. It has been determined that no events have occurred that would require adjustments to our disclosures in these financial statements.

Adam J. Baker, CPA

32508 Turkey Loop, Underwood, MN 56586
Phone: (317) 748-2640
Email: adam.bakercpa@gmail.com

CONSENT

Adam J. Baker, CPA consents to the use in the Franchise Disclosure Document issued by CANNECT, LLC. ("Franchisor") on **April 1, 2021**, as it may be amended, of our report dated March 10, 2021, relating to the financial statements of Franchisor for the period ending December 31, 2020.

Adam J Baker, CPA

Adam J. Baker, CPA

Exhibit E

TABLE OF CONTENTS OF OPERATIONS MANUAL

Cannect, LLC

Table of Contents

:

<u>Exhibit F</u>

LIST OF AREA REPRESENTATIVES

Cannect, LLC

LIST OF AREA REPRESENTATIVES

AS OF DECEMBER 31, 2023

CALIFORNIA

Bay Area
FCB Enterprise Inc.
7372 Thornton Ave.
Newark, CA 94560

Los Angeles
Eric Chin & Jing Xue
550 W. Garvey Ave., Unit C
Monterrey, Park 91754

Orange County
Theodore Vu
891 Baker St., Ste A18
Costa Mesa, CA 92626

Sacramento
Thuong Gia Doan & Lanchi Thi Nguyen
1705 Iron Point Rd.
Folsom, CA 95630

LOUSIANA

New Orleans
Ngoc V Tran
2131 Magazine St
New Orleans, LA 70130

NEVADA

Clark County
Little Dumpling LLC
5845 Spring Mountain Rd #8
Las Vegas, NV 89140

OKLAHOMA

Oklahoma City
Quang Nhat Ho
900 Northwest 150th Street
Edmond, OK 73013

TEXAS

Austin
Jonathan Tjahja
2525 W Anderson Ln #285
Austin, TX 78757

El Paso
WETEA LLC
7470 Cimarron Market Ave Building 8
El Paso, TX 79911

Houston
ANNE & CLARA LLC
7620 Katy Fwy Ste 310
Houston, TX 77024

San Antonio
Nam Hoang Nguyen & F3N Enterprises LLC
8055 West Ave #100
Castle Hills, TX 78213

AREA REPRESENTATIVES WHO LEFT THE SYSTEM IN 2023

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

San Diego
Viet Thuc Ha
4340 Genesee Ave
UNIT 107
San Diego, CA 92117

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, 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	Pending

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

RECEIPT
(YOUR COPY)

This area representative disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Cannect LLC offers you an area representative franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an Affiliate in connection with the proposed franchise sale. New York and Iowa require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days (14 calendar days for Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Cannect 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 law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the appropriate state agency listed on Exhibit C.

The franchisor is Cannect LLC, located at 412 N. Bowser Rd. Richardson TX 75081. Phone: (972) 762-1373

Issuance date: September 15, 2024 (Effective dates of this Disclosure Document in states requiring registration can be found on the State Effective Date page).

The name, principal business address and telephone number of the sellers for this offering are (check and/or fill in all that apply):

- □ Yan Chen, 412 N. Bowser Rd., Richardson TX 75081, (972) 762-1373
- □ Zhongming Gao, 412 N. Bowser Rd., Richardson TX 75081, (972) 762-1373
- □ ____

Cannect LLC authorizes the agents listed in Exhibit A to receive service of process for it.

I have received a disclosure document dated September 15, 2024 (that included the following Exhibits):

A – State Agents	F – List of Area Representatives
B – Area Representative Agreement	
C – State Addenda	
D – Financial Statements	
E – Table of Contents of Operations Manual	

Date:______________________ (Do not leave blank)

____
Signature of Prospective Franchisee

____
Print Name

Please sign and return this Receipt immediately upon receipt in the manner required by the Franchisor.

RECEIPT
(FRANCHISOR COPY)

This area representative disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Cannect LLC offers you an area representative franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an Affiliate in connection with the proposed franchise sale. New York and Iowa require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days (14 calendar days for Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Cannect 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 law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the appropriate state agency listed on Exhibit C.

The franchisor is Cannect LLC, located at 412 N. Bowser Rd. Richardson TX 75081. Phone: (972) 762-1373

Issuance date: September 15, 2024 (Effective dates of this Disclosure Document in states requiring registration can be found on the State Effective Date page).

The name, principal business address and telephone number of the sellers for this offering are (check and/or fill in all that apply):

□ Yan Chen, 412 N. Bowser Rd., Richardson TX 75081, (972) 762-1373
□ Zhongming Gao, 412 N. Bowser Rd., Richardson TX 75081, (972) 762-1373
□ ____

Cannect LLC authorizes the agents listed in Exhibit A to receive service of process for it.

I have received a disclosure document dated September 15, 2024 (that included the following Exhibits:

A – State Agents	F – List of Area Representatives
B – Area Representative Agreement	
C – State Addenda	
D – Financial Statements	
E – Table of Contents of Operations Manual	

Date:______________________ ____
(Do not leave blank) Signature of Prospective Franchisee

____
Print Name

Please sign and return this Receipt immediately upon receipt in the manner required by the Franchisor.