FRANCHISE DISCLOSURE DOCUMENT

Foxtail Coffee Franchise Co., LLC
A Florida limited liability company
1801 Lee Road, Suite 301
Winter Park, FL 32789
352-290-0283
Info@foxtailfranchise.com
www.foxtailfranchise.com

The franchised business is to operate a premium retail coffee business offering coffee-focused beverages, food products and branded retail items, under the trade name "Foxtail Coffee Co.".

The total investment necessary to begin operation of a Foxtail Coffee Co. franchise is $381,000 to $707,500. This includes $50,000 to $57,500 that must be paid to the franchisor or affiliate.

The total investment necessary to begin operation under a two-to-three-unit Multi-Unit Development Agreement (including the first unit) is $417,000 to $782,500. This includes $85,000 to $127,500 that must be paid to the franchisor. There is a two-unit minimum number of Foxtail Coffee Co. units that you are required to develop under the Multi-Unit Development Agreement. Additional units may be purchased for a reduced franchise fee of $35,000 each.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no 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, please contact Rose Tchekmeian at 1801 Lee Road, Suite 301, Winter Park FL 32789 at 352-290-0283.

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 contracts

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

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

Issuance date: April 29, 2026

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information.

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit H.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit F includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Foxtail Coffee Co. business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Foxtail Coffee Co. franchisee?	Item 20 or Exhibit H lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising Generally

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit A.

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

Special Risks to Consider About This Franchise

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

1. Out-of-State Dispute Resolution. The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation in Florida. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Florida than in your own state.

2. Spousal Liability. Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

3. Supplier Control. You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchised business.

4. Financial Condition. The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

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

(THE FOLLOWING APPLIES TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY)

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

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

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protection provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or sub-franchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(g) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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

Any questions regarding this notice should be directed to:

State of Michigan Department of Attorney General
G. Mennen Williams Building, 7th Floor
525 W. Ottawa Street
Lansing, Michigan 48909
Telephone Number: (517) 373 7117

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State Effective Dates

Receipt (2 copies)

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

In this disclosure document, "we", "us," or "our" refers to Foxtail Coffee Franchise Co., LLC. "You" means the person to whom we grant a franchise. If you are a corporation, limited liability company, or other entity, each owner of the franchise entity must sign our Guaranty and Non-Compete Agreement, which means that all of the franchise agreement's provisions also will apply to your owners.

The Franchisor

Our name is Foxtail Coffee Franchise Co., LLC. We are a Florida limited liability company formed on September 12, 2019. Our principal business address is 1801 Lee Road, Suite 301, Winter Park, FL 32789. We do business under the trade name "Foxtail Coffee Co." We were formed solely to franchise the Foxtail Coffee Co. concept. We do not directly operate retail coffee locations. Our affiliate, Foxtail Coffee Company, LLC, has operated Foxtail Coffee Co. locations since 2016. We offer franchises for the Foxtail Coffee Co. concept and have done so since September 2019. We do not offer franchises in any other business.

Our Parents, Predecessors, and Affiliates

We do not have any predecessors or parent entities. We do not have any affiliates that offer franchises in any line of business. However, our affiliate, Foxtail Coffee Company, LLC, provides products and services to our franchisees, including coffee products and marketing materials.

Our affiliate, Foxtail Coffee Company, LLC., has operated Foxtail Coffee Co. in Winter Park, Florida since 2016. This affiliate has the same business address as us. At the time of this Disclosure Document, there are 32 company owned locations in business.

We do not have any predecessors.

Agent for Service of Process

Our agent for service of process in Florida is William Scott Callahan, and the agent's principal business address is 1801 Lee Road, Suite 301, Winter Park FL 32789. Our agents for service of process in other states are disclosed in Exhibit A.

Information about the Franchises Offered

If you sign a franchise agreement with us, you will develop and operate a premium retail coffee business offering coffee-focused beverages, food products and branded retail items, under the trade name Foxtail Coffee Co. At the time of signing the franchise agreement for each specific location, you may elect to enhance your franchise by adding one or more of the following optional programs: (1) Kelly's Ice Cream Counter, (2) Gelato Counter, and/or (3) Coffee Truck/Trailer. These optional add-on programs must be selected at the time of signing the franchise agreement for the specific location and cannot be added later without our express written consent. If you sign a Multi-Unit Development Agreement (attached as Exhibit C to this disclosure document), you will simultaneously sign the franchise agreement for your first location and commit to develop multiple Foxtail Coffee Co. outlets on an agreed-upon schedule. For each future unit franchise, we will require you to sign our then-current form of franchise agreement, which may be different from the form of franchise agreement included in this disclosure document.

The Market and Competition

The general market for quick serve premium retail coffee business offering coffee-focused beverages, food products and branded retail items is educated, sophisticated, well suited to customer relations, adept in sales skills and able to meet the financial requirements of the investment. This market is highly developed. Our customers are primarily coffee lovers but also individuals looking for good food and drink in a comfortable environment to enjoy. Sales are typically not seasonal but could be in certain geographical area such as coastal towns or near universities and colleges.

Other quick serve coffee businesses exist in the marketplace. You will compete against national chains, regional chains, and independent owners. Some of these competitors are franchised.

Industry-Specific Regulations

The restaurant industry has certain laws and regulations specific to it. The U.S. Food and Drug Administration, the U.S. Department of Agriculture, and various state and local health departments administer and enforce laws and regulations that govern food preparation and service, waste disposal, and sanitary conditions. State and local agencies inspect restaurants for compliance with these requirements. Certain provisions of these laws impose limits on emissions resulting from commercial food preparation.

Some states have also adopted or are considering proposals to regulate indoor air quality.

The menu labeling provisions of the Patient Protection and Affordable Health Care Act require restaurant chains with 20 or more units to post caloric information on menus and menu boards, and to provide additional written nutrition information available to consumers upon request. Some state and local authorities have also adopted, or are considering adopting, laws or regulations that would affect the content or make-up of food served in restaurants, such as the level of trans-fat contained in a food item.

If your location serves alcohol, you will be required to obtain certain licenses that permit you to sell and serve alcoholic beverages from your location. These rules and regulations will vary greatly depending on your state or market where you operate the franchised business from. You should consult with an attorney to work with you on this process in order to verify you have gone through the appropriate licensing needed to serve alcohol.

You alone are responsible for investigating and complying with all applicable laws and regulations, despite any information that we may give you. You should consult with a legal advisor about legal requirements that may apply to your business.

Item 2
BUSINESS EXPERIENCE

Alex Tchekmeian – President & Founder, Foxtail Coffee Franchise Co., LLC (9/2019 – Present). Alex Tchekmeian has been our President & Founder in Orlando, Florida, since September of 2019. Since June of 2015, he has been Managing Member of Foxtail Coffee Co, LLC, President of AKT Enterprises Group, Inc., all of which are located in Orlando, FL. Since August 2025, he has served as the President and Founder of GoFranchise in Orlando, FL. Since July 2025, he has been the President and Founder of Coffee For A Cause (non-profit 501c3) in Orlando, FL.

William Scott Callahan - General Counsel, Foxtail Coffee Franchise Co., LLC (9/2019 – Present). William Scott Callahan has been our General Counsel in Orlando, Florida, since September of 2019. He has served as Owner of Salerno Capital since January of 2017 and from June of 2019 he has been Managing Partner of Callahan Law Group located in Orlando, FL. From April of 2010 to December of 2016 he was a Partner with Roetzel & Andress.

Item 3
LITIGATION

No litigation is required to be disclosed in this Item.

Item 4
BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

Item 5
INITIAL FEES

Franchise Fee

The Initial Franchise Fee for a single Foxtail Coffee Co. is $40,000 (the "Franchise Fee" or "Initial Franchise Fee"). Each franchise agreement will grant you the right to operate one Foxtail Coffee Co. Business. The Initial Franchise Fee is uniform, payable in full at the time you, the Franchisee, sign the Franchise Agreement and is non-refundable.

Startup Inventory and Equipment

Prior to opening, Franchisee will be required to purchase from us a startup inventory order and some proprietary equipment. The total investment in this initial order will be $10,000 to $17,500 depending on the size of your location and your market. The fees paid for Startup Inventory and Equipment are non-refundable once paid.

Multi-Unit Development

If you and we agree that you will develop multiple franchises, then you will sign our Multi-Unit Development Agreement ("MUDA") in the form of Exhibit C to this disclosure document. The MUDA requires you to develop a minimum of two (2) Foxtail Coffee Co. businesses, and you may commit to develop up to five (5) Foxtail Coffee Co. businesses under a single MUDA. The initial franchise fee for the first Foxtail Coffee Co. business developed under the MUDA is $40,000, and the initial franchise fee for each additional Foxtail Coffee Co. business developed under the MUDA is reduced to $35,000 (each, a "MUDA Franchise Fee" and collectively, the "MUDA Franchise Fees"). Upon execution of the MUDA, you will pay to us, in full, the aggregate MUDA Franchise Fees for all Foxtail Coffee Co. businesses you have committed to develop under the MUDA. The aggregate MUDA Franchise Fees you will pay upon execution of the MUDA will range from $75,000 (for a two-unit MUDA) to $180,000 (for a five-unit MUDA), depending on

the number of units committed. The MUDA Franchise Fees are non-refundable under all circumstances.

Item 6
OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty	6% of your gross sales	Monthly	See Note 1 and Note 2.
Marketing Fund Contribution	1% of your gross sales	Monthly	The Marketing fund will be used for all franchisees system-wide for our use in promoting and building the Foxtail Coffee Co. brand.
Market Cooperative Contribution	As determined by co-op. Currently, none.	Monthly	We have the right to establish local or regional advertising cooperatives. Each franchisee in the cooperative will have one vote per outlet, provided that franchisee is not in default under its franchise agreement. The amount you must contribute to the cooperative will be determined by vote of the members, but not less than 1% and not more than 3% of gross sales. If our company-owned outlets are members of a cooperative, they must contribute to the cooperative on the same basis as franchisees and will have the same voting rights as other members.
Mobile Application	$150-$300	Monthly	You must use our mobile application in the operation of

			your business. The monthly fee for our mobile application will range from $150-$300 per month depending on the features you choose to activate. We may modify the Mobile Application Fee upon 30 days' prior written notice to you.
Replacement / Additional Training fee	Currently, $500 per person	Prior to attending training	If you send a manager or other employee to our training program after you open, we will charge our then-current training fee.
Third party vendors	Pass-through of costs, plus reasonable administrative charge. Currently, none.	Varies	We have the right to require franchisees to use third-party vendors and suppliers that we designate. Examples can include computer support vendors, mystery shopping, and customer feedback systems. The vendors and suppliers may bill franchisees directly, or we have the right to collect payment for these vendors together with a reasonable markup and charge for administering the payment program.
Software	Currently, $300-$600 per month; dependent on the number of terminals in your location.	Monthly	We require you to use certain software as described in Item 11. You pay subscription fees directly to the software supplier, and not to us. *Pricing may vary depending on the vendor's pricing for services and licensing.

Non-compliance fee	$750	On demand	We may charge you $750 if your business is not in compliance with our system specifications or the franchise agreement and you fail to correct the non-compliance after 30 days' notice. Thereafter, we may charge you $500 per week until you correct such non-compliance.
Reimbursement	Amount that we spend on your behalf, plus 10%	Within 15 days of invoice	If we pay any amount that you owe or are required to pay to a third party, you must reimburse us.
Annual Compliance Package Late Filing Fee	$750	On demand after April 1	If you fail to upload the annual compliance package to our portal by April 1 of each year, we may charge a late filing fee of $750. The compliance package includes, but is not limited to: copies of all active permits and licenses, renewal confirmations and expiration dates, most recent health and fire inspection reports, certificates of insurance, and any notices of violation with proof of cure. This fee is in addition to any non-compliance fee.
Late fee	$250 plus interest on the unpaid amount at a rate equal to 18% per year (or, if such payment exceeds the maximum allowed by law, then interest at	On demand	We may charge a late fee if you fail to make a required payment when due.

	the highest rate allowed by law)		
Insufficient funds fee	$50 (or, if such amount exceeds the maximum allowed by law, then the maximum allowed by law)	On demand	We may charge an insufficient funds fee if a payment made by you is returned because of insufficient funds in your account.
Costs of collection	Our actual costs	As incurred	Payable if we incur costs (including reasonable attorney fees) in attempting to collect amounts you owe to us.
Special support fee	Our then-current fee, plus our expenses. Currently, $500 per day per person.	On demand	If we provide in-person support to you in response to your request, we may charge this fee plus any out-of-pocket expenses (such as travel, lodging, and meals for employees providing onsite support).
Customer complaint resolution	Our expenses		We may take any action we deem appropriate to resolve a customer complaint about your business. If we respond to a customer complaint, we may require you to reimburse us for our expenses.
Records audit	Our actual cost	On demand	Payable only if (1) we audit you because you have failed to submit required reports or other non-compliance, or (2) the audit concludes that you under-reported gross sales by more than 3% for any 4-week period.

Special inspection fee	Currently $600, plus our out-of-pocket costs	On demand	Payable only if we conduct an inspection of your business because of a governmental report, customer complaint or other customer feedback, or your default or non-compliance with any system specification.
Non-compliance cure costs and fee	Our out-of-pocket costs and internal cost allocation, plus 10%	When billed	We may cure your non-compliance on your behalf (for example, if you do not have required insurance, we may purchase insurance for you), and you will owe our costs plus a 10% administrative fee.
Transfer fee	$10,000 plus any broker fees and other out-of-pocket costs we incur	When transfer occurs	Payable if you sell your business.
Liquidated damages	An amount equal to royalty fees and marketing fund contributions for the lesser of (i) 2 years or (ii) the remaining weeks of the franchise term.	On demand	Payable if we terminate your franchise agreement because of your default, or if you terminate the franchise agreement without the right to do so.
Indemnity	Our costs and losses from any legal action related to the operation of your franchise	On demand	You must indemnify and defend (with counsel reasonably acceptable to us) us and our affiliates against all losses in any action by or against us related to, or alleged to arise out of, the operation of your franchise (unless caused by our misconduct or negligence).

Prevailing party's legal costs	Our attorney fees, court costs, and other expenses of a legal proceeding, if we are the prevailing party	On demand	In any legal proceeding (including arbitration), the losing party must pay the prevailing party's attorney fees, court costs and other expenses.
Alternate vendor/input review fee	$600 per request, plus our reasonable testing, travel, and personnel costs	On demand	Payable when you request our approval of an alternate vendor or input under Section 8.2 of the franchise agreement, regardless of whether we grant approval.
Relocation fee	25% of our then-current initial franchise fee (currently, $10,000)	When relocation occurs	Payable only if we approve relocation of your business under Section 6.9 of the franchise agreement. Relocation is at our sole discretion and we have no obligation to approve any relocation request.
Annual Convention registration and non-attendance fee	Registration: our then-current registration fee (currently, none). Non-attendance: $1,000.	Registration: in advance of Annual Convention. Non-attendance: on demand.	Payable if we hold an Annual Convention. The non-attendance fee applies if you fail to attend or send an authorized representative without our prior written consent. We currently do not host an Annual Convention but may do so in the future at our discretion.
Additional site-visit fee	$500 per visit, plus our travel and accommodation expenses	On demand	Payable for each market visit beyond the first in connection with site selection under Section 6.1 of the franchise agreement.
In-person support and customer	$500 per person per day, plus our	On demand	Payable if we provide in-person support at your request under Section 5.5(a), or if we intervene

complaint resolution fee	actual out-of-pocket expenses		to resolve a customer complaint under Section 7.10 of the franchise agreement. This fee is in addition to the separate "Customer complaint resolution" and "Special support fee" rows above, which are hereby clarified to reference the same $500 per person per day rate.

All fees are imposed by us and collected by us (other than software subscription charges). All fees are non-refundable. All fees are uniform for all franchisees, although we reserve the right to change, waive, or eliminate fees for any one or more franchisees as we deem appropriate. As of the date of this Agreement, there are no marketing cooperatives, purchasing cooperatives, or other cooperatives that impose fees on you. However, we reserve the right to establish such cooperatives in the future, subject to providing you with reasonable notice.

Notes

1. "Gross Sales" is defined in our franchise agreement as the total dollar amount of all sales generated through your business for a given period, including, but not limited to, payment for any services or products sold by you, whether for cash or credit. Gross Sales does not include (i) bona fide refunds to customers, (ii) sales taxes collected, (iii) sale of used equipment not in the ordinary course of business, or (iv) sales of prepaid cards or similar products (but the redemption of any such pre-paid card or product will be included in Gross Sales).

2. We currently require you to pay royalty fees and other amounts due to us by pre-authorized bank draft. However, we can require an alternative payment method.

3. There are currently no marketing cooperatives, purchasing cooperatives, or other cooperatives that impose fees on you.

Item 7
ESTIMATED INITIAL INVESTMENT
YOUR ESTIMATED INITIAL INVESTMENT - FRANCHISE AGREEMENT

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Initial franchise fee (see Note 1)	$40,000 - $40,000	Check, ACH or wire transfer	Upon signing the franchise agreement	Franchisor
Rent and Lease Security Deposit (see Note 2)	$5,000 - $10,000	Check	Upon signing lease	Landlord
Utilities	$1,000 - $4,000	Check, debit, and/or credit	Upon ordering service	Utility providers
Leasehold Improvements	$200,000 - $420,000	Check, debit, and/or credit	As incurred or when billed	Contractors
Market Introduction Program	$2,000 - $7,500	Check, debit, and/or credit	As incurred or when billed	Vendors and suppliers
Furniture, Fixtures, and Equipment	$80,000 - $120,000	Check, debit, and/or credit	As incurred	Vendors and suppliers
Point of Sale Hardware	$2,500 - $5,000	Check, debit, and/or credit	As incurred	Vendors and suppliers
Insurance	$1,500 - $3,000	Check	Upon ordering	Insurance company
Signage	$8,000 - $25,500	Check, debit, and/or credit	Upon ordering	Vendor
Office Expenses	$1,000 - $2,000	Check, debit, and/or credit	As incurred	Vendors

Starting Inventory & Equipment	$10,000 - $17,500	Check, debit, and/or credit	Upon ordering	Franchisor
Operational Licenses and Permits	$1,000 - $3,000	Check	Upon application	Government
Professional Fees (lawyer, accountant, etc.)	$2,000 - $4,000	Check, debit, and/or credit	As incurred or when billed	Professional service firms
Travel, lodging and meals for initial training	$2,000 - $6,000	Cash, debit or credit	As incurred	Airlines, hotels, and restaurants
Additional funds (for first 3 months) (see Note 3)	$25,000 - $40,000	Varies	Varies	Employees, suppliers, utilities
Total (without add-ons)	$381,000 - $707,500			
OPTIONAL ADD-ONS				
Kelly's Ice Cream Counter (see Note 4)	$32,000 - $38,000	Check, debit, and/or credit	As incurred	Vendors and suppliers
Gelato Counter add-on (see Note 5)	$10,000 - $15,000	Check, debit, and/or credit	As incurred	Vendors and suppliers
Coffee Truck/Trailer add-on (see Note 6)	$150,000 - 200,000	Check, debit, and/or credit	As incurred	Vendors and suppliers
Total (with Kelly's Ice Cream Counter add-on)	$413,000 - $745,500			
Total (with Gelato Counter add-on)	$391,000 - $722,500			
Total (with Coffee Truck/Trailer add-on)	$531,000 - $907,500			

YOUR ESTIMATED INITIAL INVESTMENT - MULTI UNIT DEVELOPMENT AGREEMENT

(WITHOUT OPTIONAL ADD-ONS)

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
First franchise (see table above)	$381,000 - $707,500	ACH	Varies	Varies
Additional initial franchise fees (Additional 2-3 Units) (see Note 7) *Franchise Fee Decreases for Additional Units - $35,000 for Unit 2 and Subsequent.	$35,000 - $70,000	ACH	Upon signing the MUDA	Us
Business planning and miscellaneous expenses	$1,000 - $5,000	ACH	As incurred	Vendors and suppliers
Total	$417,000 - $782,500			

Notes

1. Your lease security deposit and utility deposits will usually be refundable unless you owe money to the landlord or utility provider. None of the other expenditures in this table will be refundable. Neither we nor any affiliate finances any part of your initial investment.

2. Our estimates in this table assume you pay one month rent plus a security deposit before you open for business. For this to occur, you would need to negotiate a "free rent" period for the time it takes to build out your business. We expect that you will rent your location. If you choose to purchase real estate instead of leasing, your costs will be significantly different.

3. This includes any other required expenses you will incur before operations begin and during the initial period of operations, such as payroll, additional inventory, rent, and other operating expenses in excess of income generated by the franchised business. In formulating the amount required for additional funds, we relied on the following factors, basis, and experience: the development of a Foxtail Coffee Co. business by our affiliate, and our general knowledge of the industry.

4. We have established a relationship with Kelly's Ice Cream to allow our franchisees in certain Florida markets to add on an ice cream counter using Kelly's Ice Cream brand products. To add on a Kelly's Ice Cream Counter, you must request this in writing upon executed LOI for the unit, and no less than 30 days before design begins. If this add-on is permitted, you will pay a one-time onboarding fee of $15,000 for your first location and $10,000 for each additional location with a Kelly's Ice Cream Counter. Additionally, you will incur costs ranging from $22,000 to $27,000 for the build out of the Kelly's Ice Cream Counter.

5. Upon request, we may permit you to incorporate our approved Gelato Counter add-on. To add on a Gelato Counter, you must request this in writing upon executed LOI for the unit, and no less than 30 days before design begins. If permitted, you will pay a Gelato Counter add-on one-time fee of $7,500 per unit. If permitted, you will incur costs ranging from $10,000 to $15,000 for the build out of the gelato add-on.

6. Upon request, and only if you sign a Multi-Unit Development Agreement with a designated territory (Exhibit C), we may permit you to incorporate our approved Coffee Truck Program to operate within your territory. To add on the Coffee Truck/Trailer Program, you must request this in writing prior to purchasing any vehicle. The Coffee Truck/Trailer must be part of an existing and operational Foxtail Coffee unit within the designated territory. If permitted, you will pay a Coffee Truck/Trailer Program add-on one-time fee of $7,500 per vehicle. Additionally, you will incur costs ranging from $150,000 to $200,000 for the purchase and build out of the Coffee Truck/Trailer.

7. This estimate assumes you sign a Multi-Unit Development Agreement for three to five franchises. The franchise fee for your first unit is counted in the "Estimated Initial Investment – Franchise Agreement" table. Your initial franchise fees are reduced to $35,000 for the second and each additional franchise thereafter. You will pay all franchise fees upon signing the MUDA.

Item 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Generally

We reserve the right to require you to purchase or lease all goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating your business (1) either from us or our designee, or from suppliers approved by us, or (2) according to our specifications.

Specific Obligations

The following are our current specific obligations for purchases and leases:

A. Real Estate. Your business location is subject to our approval and must meet our specifications. You must have your landlord sign our form of Franchisor Rider to Lease Agreement (attached to this disclosure document as Exhibit D).

B. Insurance. You must obtain insurance as described in the Franchise Agreement and in our Guides, which includes (i) "Special" causes of loss coverage forms, including fire and extended coverage, crime, vandalism, and malicious mischief, on all property of the Franchised Business, for full repair and replacement value (subject to a reasonable deductible); (ii) Business interruption insurance covering at least 12 months of income; (iii) Commercial General Liability insurance, including products liability coverage, and broad form commercial liability coverage, written on an "occurrence" policy form in an amount of not less than $1,000,000 single limit per occurrence and $2,000,000 aggregate limit, (iv) Business Automobile Liability insurance including owned, leased, non-owned and hired automobiles coverage in an amount of not less than $1,000,000, and (v) Workers Compensation coverage as required by state law. Your policies (other than Workers Compensation) must list us and our affiliates as an additional insured, must include a waiver of subrogation in favor of us and our affiliates, must be primary and non-contributing with any insurance carried by us or our affiliates, and must stipulate that we receive 30 days' prior written notice of cancellation.

C. Point-of-sale software and hardware, and related technology systems. You must purchase (or lease) and maintain the point-of-sale system and related technology as specified in our Operations Guide (currently Toast), including at minimum one terminal (with optional POS/handheld capabilities). You must also obtain and maintain: (i) commercial-grade internet service with a separate network for customer use; (ii) wireless access points; (iii) a video surveillance system meeting our specifications; (iv) a standardized alarm system at each location; and (v) digital menu boards meeting our specifications. All technology systems must meet our then-current specifications, which

we may modify from time to time. See Item 11 for more details regarding costs and approved vendors.

D. Equipment, Supplies and Product. You must purchase the equipment, supplies and items you will use in the operation of the franchised business from our approved vendors. You may also elect to purchase equipment through our Foxtail Coffee managed purchasing program for an additional administrative fee. You will purchase the coffee products and marketing materials from us or our Affiliates.

Us or our Affiliates as Supplier

We are currently the only approved supplier of your initial startup inventory and certain pieces of equipment that you must purchase. We also reserve the right to be a supplier (or the sole supplier) of a good or service in the future.

Alternative Suppliers

If you want to use a supplier that is not on our list of approved suppliers, you must request our pre-approval in writing. We will grant or revoke approvals of suppliers based on criteria appropriate to the situation, which may include evaluations of the supplier's capacity, quality, financial stability, reputation, meeting our vendor required insurance minimum, and reliability; inspections; product testing, and performance reviews. Our criteria for approving suppliers are not available to you. We permit you to contract with alternative suppliers who meet our criteria only if you request our pre-approval in writing, and we grant approval. There is no fee for us to review or approve an alternate supplier. We will provide you with written notification of the approval or disapproval of any supplier you propose within 30 days after receipt of your request. We may grant approvals of new suppliers or revoke past approvals of suppliers on written notice to you, or by updating our Guide.

Issuing Specifications and Standards

We issue specifications and standards to you for applicable aspects of the franchise in our Guide and/or in written directives. We may issue new specifications and standards for any aspect of our brand system, or modify existing specifications and standards, at any time by revising our Guide and/or issuing new written directives (which may be communicated to you by any method we choose). We will generally (but are not obligated to) issue new or revised specifications only after thorough testing in our headquarters, in company-owned outlets, and/or a limited market test in multiple units.

Revenue to Us and Our Affiliates

We and our affiliate will derive revenue from the required purchases and leases by franchisees.

Our revenue from all required purchases and leases of products and services by franchisees in the prior fiscal year (ending December 31, 2025) was $1,144,129. The percentage of our total revenues that were from required purchases or leases in the prior fiscal year was 23% of our total revenue of $4,926,477.

Our affiliate's, Foxtail Coffee Company, LLC, revenue from all required purchases and leases of products and services by franchisees in the prior fiscal year (ending December 31, 2025) was $3,653,793.

Proportion of Required Purchases and Leases

We estimate that the required purchases and leases to establish your business are 75% to 85% of your total purchases and leases to establish your business.

We estimate that the required purchases and leases of goods and services to operate your business are 65% to 80% of your total purchases and leases of goods and services to operate your business.

Payments by Designated Suppliers to Us

We currently receive payments from LaMarzocco, Sysco, Botanik Herbs and Tea, Bargreen, Floor & Décor, STP Tile and Webstaurant based on purchases by you or other franchisees.

Third-Party Delivery Services

You must follow our delivery policies and procedures in our Guide, which may require you to provide delivery services and/or utilize third-party delivery services (e.g. Uber Eats, GrubHub, DoorDash, etc.). You may be required to use the third-party delivery service(s) with which we have a national contract, and you may not contract with any other delivery platform without our written pre-approval.

Purchasing or Distribution Cooperatives

No purchasing or distribution cooperative currently exists.

Negotiated Arrangements

We negotiate purchase arrangements with Sysco, LaMarzocco, Botanik Herbs and Tea, Created, STP Tile, Webstraunt, and Johnson-Lancaster including the price terms.

Benefits Provided to You for Purchases

We do not provide any material benefit to you based on your purchase of particular goods or services, or your use of particular suppliers.

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 agreement	Disclosure document item
a. Site selection and acquisition/lease	§§ 6.1, 6.2	Item 11
b. Pre-opening purchase/leases	§§ 6.2, 6.3	Items 5, 7, 8 and 11
c. Site development and other pre-opening requirements	Article 6	Items 5, 7, 8 and 11
d. Initial and ongoing training	§§ 6.6, 7.6	Items 5, 6, 8 and 11
e. Opening	§§ 6.5, 6.6	Items 7, 8 and 11
f. Fees	Article 4, §§ 5.5, 7.8, 10.5, 11.2, 11.3, 14.5, 15.2, 16.1, 17.6	Items 5, 6 and 7

g. Compliance with standards and policies/Brand Standards Guide	§§ 6.3, 7.1, 7.3, 7.5, 7.9 – 7.13, 7.15, 7.25, 10.1, 10.4, 11.1	Items 8, 11 and 14
h. Trademarks and proprietary information	Article 12, § 13.1	Items 13 and 14
i. Restrictions on products/services offered	§ 7.3	Items 8, 11 and 16
j. Warranty and customer service requirements	§§ 7.7, 7.8, 7.9	Item 8
k. Territorial development and sales quotas	Not Applicable	Item 12
l. Ongoing product/service purchases	Article 8	Items 6 and 8
m. Maintenance, appearance, and remodeling requirements	§§ 7.12, 7.13	Items 6, 7 and 8
n. Insurance	§ 7.15	Items 6, 7 and 8
o. Advertising	Article 9	Items 6, 7, 8 and 11
p. Indemnification	Article 16	Items 6 and 8
q. Owner's participation /management/staffing	§ 2.4	Items 15
r. Records and reports	Article 10	Item 11

s. Inspections and audits	§§ 10.5, 11.2	Items 6 and 11
t. Transfer	Article 15	Items 6 and 17
u. Renewal	§ 3.2	Item 17
v. Post-termination obligations	Article 13, § 14.3	Item 17
w. Non-competition covenants	§ 13.2	Item 17
x. Dispute resolution	Article 17	Items 6 and 17
y. Guarantee of Franchisee Obligations	§ 2.5; Attachment 3	Item 15

This table lists your principal obligations under the multi-unit development agreement. It will help you find more detailed information about your obligations in the multi-unit development agreement and in other items of this disclosure document.

Obligation	Section in agreement	Disclosure document item
a. Site selection and acquisition/lease	Not Applicable	Item 11
b. Pre-opening purchase/leases	Not Applicable	Items 5, 7, 8 and 11
c. Site development and other pre-opening requirements	Not Applicable	Items 5, 7, 8 and 11
d. Initial and ongoing training	Not Applicable	Items 5, 6, 8 and 11
e. Opening	§1(a)	Items 7, 8 and 11
f. Fees	§1(a), 1(b)	Items 5, 6 and 7
g. Compliance with standards and policies/Brand Standards Guide	Not Applicable	Items 8, 11 and 14
h. Trademarks and proprietary information	Not applicable	Items 13 and 14
i. Restrictions on products/services offered	Not applicable	Items 8, 11 and 16
j. Warranty and customer service requirements	Not applicable	Item 8

k. Territorial development and sales quotas	Not Applicable	Item 12
l. Ongoing product/service purchases	Not Applicable	Items 6 and 8
m. Maintenance, appearance, and remodeling requirements	Not Applicable	Items 6, 7 and 8
n. Insurance	Not Applicable	Items 6, 7 and 8
o. Advertising	Not Applicable	Items 6, 7, 8 and 11
p. Indemnification	Not Applicable	Items 6 and 8
q. Owner's participation /management/staffing	Not Applicable	Items 15
r. Records and reports	Not Applicable	Item 11
s. Inspections and audits	Not Applicable	Items 6 and 11
t. Transfer	§10	Items 6 and 17
u. Renewal	Not Applicable	Item 17
v. Post-termination obligations	§8	Item 17
w. Non-competition covenants	Not Applicable	Item 17
x. Dispute resolution	§10	Items 6 and 17
y. Guarantee of Franchisee Obligations	Not Applicable	Item 15

Item 10
FINANCING

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

We have several financial lending institutions we can refer you to who will evaluate your financial ability to finance one or multiple Foxtail Coffee units.

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

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

Our Pre-Opening Obligations

Before you open your business:

A. Your site. We will review and advise you regarding potential locations that you or your commercial real estate broker submit to us. (Section 5.4). If you sign a Multi-Unit Development Agreement, we will approve the location of future sites and territories for those sites, and our then-current standards for sites and territories will apply. We are not obligated to further assist you in locating a site or negotiating the purchase or lease of the site.

(i) We generally do not own your premises.

(ii) If your site is not already known and approved by us when you sign your franchise agreement, then we and you will specify in your franchise agreement the area in which you must select a site (Franchise Agreement, Summary Page). We do not select your site. Your site is subject to our approval. To obtain our approval, you are required to provide all information and documents electronically through our site submission portal about the site that we require.

(iii) The factors we consider in approving sites are general location and neighborhood, competition, trade area demographics, traffic patterns, parking, size, physical characteristics of existing buildings, and lease terms.

(iv) The time limit for us to approve or disapprove your proposed site is 21 days after you submit all of our required documents and information.

(Section 6.1). If we do not accept a proposed site in writing in this time period, we will be deemed to have rejected the site. If we and you cannot agree on a site, you will be unable to comply with your obligation to develop and open the franchise by the deadline stated in the franchise agreement. Unless we agree to extend the deadline, you will be in default, and we may terminate your franchise agreement with no refund due to you of any amounts paid.

(v) We are not obligated to assist you in converting the premises of your site to local ordinances and building codes and obtaining any required permits. This will be your responsibility.

B. Constructing, remodeling, or decorating the premises. We will provide you with our design intent package and specifications and/or recommended floor plans, and our specifications for required décor. (Section 5.4)

C. Hiring and training employees. We will provide you with our suggested staffing levels (Section 5.2), suggested guidelines for hiring employees (Section 5.2), operational instructions in the Guide which you can use as part of training new employees (Section 5.3), and our initial training program described below. Our opening support (as described below) includes assisting you in training all employees working at the time of your grand opening. All hiring decisions and conditions of employment are your sole responsibility.

D. Necessary equipment, signs, fixtures, opening inventory, and supplies. We will provide you a list of our specifications for equipment, signs, fixtures, opening inventory, and supplies necessary to open your business. (Section 5.4) Upon your request, we may assist you with the purchasing and coordination of delivery of these items through our managed purchasing program. Our assistance with purchasing and delivery coordination is optional; you are not required to use this program. If you elect to use this program, an additional administrative fee will apply. We do not install these items.

E. Brand Standards Guide. We will give you access to our Brand Standards Guide (Section 5.1). The table of contents for the Guide appears in Exhibit G of this disclosure document. As of the issuance date of this disclosure document, the Guide contains 80 pages.

F. Initial Training Program. We will conduct our initial training program. (Section 5.4). The current initial training program is described below.

G. Business plan review. If you request, we will review your pre-opening business plan and financial projections. (Section 5.4)

H. Market introduction plan. We will advise you regarding the planning and execution of your market introduction plan. (Section 5.4)

I. On-site opening support. We will have a representative provide on-site support for at least 7-10 days in connection with your business opening. (Section 5.4)

Length of Time to Open

The typical length of time between signing the franchise agreement and the opening of your business is 10-14 months. Factors that may affect the time period include your ability to obtain a lease, obtain financing, develop your location, obtain business permits and licenses, and hire employees.

Our Post-Opening Obligations

After you open your business:

A. Developing products or services you will offer to your customers. Although it is our intent and practice to refine and develop products or services that you will offer to your customers, the franchise agreement does not obligate us to do so.

B. Hiring and training employees. We will provide you with our suggested staffing levels (Section 5.2), suggested guidelines for hiring employees (Section 5.2), and operational instructions in the Guide which you can use as part of training new employees (Section 5.3). All hiring decisions and conditions of employment are your sole responsibility.

C. Improving and developing your business; resolving operating problems you encounter. If you request, we will provide advice to you (by telephone or electronic communication) regarding improving and developing your business, and resolving operating problems you encounter, to the extent we deem reasonable. If we provide in-person support in response to your request, we may charge a fee (currently $600 per day) plus any out-of-pocket expenses (such as travel, lodging, and meals for our employees providing onsite support). (Section 5.5)

D. Establishing prices. Upon your request, we will provide recommended pricing tiers for products and services. (Section 5.5). We have the right to determine prices charged by our franchisees for goods and services within a tier system (but only to the extent permitted by applicable law).

E. Establishing and using administrative, bookkeeping, accounting, and inventory control procedures. We will provide you our recommended procedures for administration, bookkeeping, accounting, and inventory control (Section 5.5). We may make any such procedures part of required (and not merely recommended) procedures for our system.

F. Marketing Fund. We will administer the Marketing Fund (Section 5.5). We will prepare an unaudited annual financial statement of the Marketing Fund within 120 days of the close of our fiscal year and will provide the financial statement to you upon request. (Section 9.3)

G. Website & Mobile App. We will maintain a website and Mobile App for the Foxtail Coffee Co. brand, which will include your business location(s) and telephone number. (Section 5.5)

Advertising

Our obligation. We will use the Marketing Fund only for marketing and related purposes and costs. Media coverage is primarily local. We use employees and outside vendors and consultants to produce advertising. We are not required to spend any amount of advertising in the area or territory where any particular franchisee is located. We will maintain the brand website and mobile app (which will be paid for by the Marketing Fund). We have no other obligation to conduct advertising.

Your own advertising material. You may use your own advertising or marketing material only with our pre-approval. To obtain our pre-approval, you must submit any proposed advertising or marketing material at least 14 days prior to use. If we do not respond within 14 days, the material is deemed rejected. If you develop any advertising or marketing materials, we may use those materials for any purpose, without any payment to you. (Section 9.1)

Advertising council. We do not have an advertising council composed of franchisees. The franchise agreement does not give us the power to form an advertising council.

Local or Regional Advertising Cooperatives. We do not currently have any local or regional advertising cooperatives. We have the right to require you to participate in a local or regional advertising cooperative. We will define the area of the cooperative based on media markets, or other geographic criteria that we deem appropriate. Each franchisee in the area would have one vote per outlet (unless the franchisee is in default under its franchise agreement). The amount you must contribute to the cooperative will be determined by vote of the members, but not less than 1% and not more than 3% of

gross sales. If our own corporate outlets are members of a cooperative, they must contribute to the cooperative on the same basis as franchisees, and they will vote on the same basis as other members. We administer the cooperative, but we have the right to delegate responsibility for administration to an outside company such as an advertising agency or accounting firm, or to the franchisee members of the cooperative. We have the right to require the cooperative to operate from written bylaws or other governing documents that we determine. The documents do not exist and are not currently available for you to review. Cooperatives will prepare annual financial statements which will be made available for review only by us and by the members of cooperative. We have the power to require cooperatives to be formed, changed, dissolved, or merged. (Section 9.4)

Advertising Fund. You and all other franchisees must contribute to our Marketing Fund. Your contribution is 1% of gross sales per month. We reserve the right to have other franchisees contribute a different amount or at a different rate. Outlets that we own are not obligated to contribute to the Marketing Fund. We administer the fund. The fund is not audited. We will make unaudited annual financial statements available to you upon request. (Section 9.3)

We have the right to direct all advertising, media placement, marketing and public relations programs and activities financed by the Marketing Fund, with final discretion over the strategic direction, creative concepts, materials and endorsements used, and the geographic, market and media placement and allocation. You must participate in all advertising, marketing, promotions, research, and public relations programs instituted by the Marketing Fund.

Among the programs, concepts, and expenditures for which we may utilize the Marketing Fund monies are: (1) creative development and production of print ads, commercials, radio spots, point of purchase materials, direct mail pieces, door hangers, free standing inserts, brochures, logo wear, labeling, video, audio, and written materials and electronic media, and other advertising and promotional materials; (2) media placement and buying, including all associated expenses and fees; (3) administering regional and multi-regional marketing and advertising programs; (4) market research and customer satisfaction surveys, including the use of secret shoppers; (5) the creative development of, and actual production associated with, premium items, giveaways, promotions, sweepstakes, contests, public relation events, and charitable or nonprofit events; (6) creative development of signage, posters, and individual Foxtail Coffee location décor items including wall graphics; (7) recognition and awards events and programs including periodic national and regional conventions and meetings; (8) design, establishment, and maintenance of websites, extranets, intranets, search rankings, social

media profiles, mobile applications and other digital marketing; (9) retention and payment of personalities engaged as spokespersons, advertising and promotional agencies, endorsement contracts, and other outside advisors including retainer and management fees; (10) sponsorship of sporting, charitable, or similar events; (11) review of locally produced marketing materials; (12) list acquisition and development; (13) association dues; (14) affinity program development; (15) development of third party facilities for the development of local advertising; and (16) public relations and community involvement activities and programs.

We may sell certain advertising materials, merchandise, and premium items to you that are developed by the Marketing Fund and the earnings from such sales will be deposited in the Marketing Fund. The Marketing Fund also may be used to pay our reasonable salaries and expenses of our and our affiliates' employees who work on advertising, marketing, public relations materials, programs, activities or promotions prepared, planned or undertaken on behalf of the Marketing Fund and professional fees and administrative costs and overhead that we or our affiliates incur in activities reasonably related to the administration and activities of the Marketing Fund (including accounting fees, legal fees, and interest on monies borrowed by the Marketing Fund). We will not use the Marketing Fund for anything whose sole purpose is the marketing of franchise sales, however, the System website, public relations activities, community involvement activities and other activities supported by the Marketing Fund may contain information about franchising opportunities.

We will prepare an annual, unaudited statement of Marketing Fund collections and expenses within 120 days after our fiscal year end and will provide a copy of the statement to franchisees upon request. We retain the final authority on all programs financed by the Marketing Fund. We have the right to change or dissolve the Marketing Fund at any time. If we disband the Marketing Fund, we will spend all monies in the fund for advertising and/or promotional purposes or distribute all unspent monies to contributors in proportion to their respective Marketing Fund contributions during the preceding 12-month period.

The Marketing Fund (including any earnings on unspent funds) will be used to maximize general public recognition, acceptance, and patronage of Foxtail Coffee locations. We are not obligated to make Marketing Fund expenditures for you which are equivalent or proportional to your contributions, or to ensure that any particular franchisee benefits directly or pro rata from expenditures by the Marketing Fund. The Marketing Fund is not a trust, and we have no fiduciary obligation in collecting payments, bookkeeping, or disbursement of monies from the Marketing Fund.

During the last fiscal year of the marketing fund (ending on December 31, 2025), we collected $411,119.89 from franchisees that went towards the marketing fund. In the fiscal year 2025, we used the National Marketing Fund as follows: 19% on miscellaneous expenses, 17% on media production, 32% on administrative expenses, 9% on Technical Infrastructure, 5% on media placement and 18% on digital marketing.

Market introduction plan. You must develop a market introduction plan and obtain our approval of the plan at least 60 days before the projected opening date of your business. Failure to timely submit and obtain approval of the market introduction plan may result in a delay of our consent to open your business. (Section 5.4)

Recommended spending. After you open, we recommend that you spend at least 1%-2% of gross sales each month on marketing your business. (Section 9.5)

Point of Sale and Technology Systems

We require you to buy (or lease) and use a point-of-sale system and computer system as follows:

Required POS System as Defined in the Operations Guide (Currently Toast)

A Minimum of One Terminal (POS / Handheld is optional)

Internet Service (Open Network For Customer Use)

Wireless Access Point

Video Surveillance System Required Per Franchisor Specifications

Standardized Alarm (Required at each location)

Digital Menu Boards Required Per Franchisor Specifications

These systems should scale with your business and when coupled with creative marketing and guest retention tools, they will generate per store data such as itemized product sales, customer, employee and accounting information.

We estimate that these systems will cost between $4,500 and $7,000 to purchase.

We are not obligated to provide any ongoing maintenance, repairs, upgrades, or updates. We do require you enter into such a contract with a third party for the POS subscription, Internet, Video Surveillance service and Digital Menu Board software.

You must upgrade or update any system when we determine. There is no contractual limit on the frequency or cost of this obligation. We estimate that the annual cost of any optional or required maintenance, updating, upgrading, or support contracts will be $1,500 to $3,000.

You must give us independent access to the information that will be generated or stored in these systems. The information that we may access will include sales, customer data, and reports. There is no contractual limitation on our right to access the information.

Training Program

Our training program consists of the following:

TRAINING PROGRAM

(Single Unit & First Unit of MUDA)

SUBJECT	HOURS OF CLASSROOM TRAINING (OUR LOCATION)	HOURS OF ON THE JOB TRAINING (YOUR LOCATION)	HOURS OF VIRTUAL TRAINING (ONLINE)	LOCATION
BUILDING YOUR STORE - Understanding the Foxtail Design - Review the Design Intent Package & Brand Standards - Getting Creative with Your Design - Meet with Your Architect - Understanding Your Equipment - Understanding the Design & Buildout Process - Bidding the project	0	0	12	Virtual – Google Meet Several Virtual Calls

BEHIND THE SCENES – Owner Training - Foxtail Story & Culture - Monies & Systems - Ordering - Barista Info - Staffing Levels & Scheduling - What Makes Us Different? - How-To: Set-Up Your Store - Social Media & Marketing - Community Involvement - Health Inspection & ServSafe Certification - Equipment Maintenance - HR and Staffing - Toast	8	0	8	Virtual – Google Meet Several Virtual Calls & Foxtail Training Center/ Office
OWNER TRAINING – One-on-One - Handbook, Portal, Google Drive Review - Reviewing Shop Organization - Understanding Menu/Offerings - Understanding Drink Construction - Understanding Machinery/Tools - Understanding Opening and Closing Procedures - Understanding Barista Flow - Practicing Mock Orders - Troubleshooting & Maintenance	32	0	0	Foxtail Training Center

OWNER TRAINING – One the Job - Putting Learning to Practice in Operational shop	20	0	0	Foxtail Operational Store
PRACTICING WITH THE BARISTA Barista Training - Day to Day Barista Training - Orientation Overview - All About Coffee - Delving Into Espresso - How To: Dial In, Frothing, Recipes - How To: Batch Brew - How To: Slow Bar - How To: Set-Up Equipment - How To: Make, Bottle & Keg Cold Brew - Understanding Tea & Food Programs - Point of Sale & The Foxtail APP - Team Training Sessions: 5 days with Team - Two, 4 hour long training Sessions Per Day	0	40	0	YOUR LOCATION
Total	60	40	20	120 TOTAL HRS

Training classes will be scheduled in accordance with the needs of new franchisees. We anticipate holding franchisee training classes twelve times per year, at our discretion. Training will be held at our training facility in Orlando, Florida. We reserve the right to vary the length and content of the initial training program based on the experience and skill level of any individual attending the initial training program. Additionally, each new

franchisee will receive over 40 hours of in-store personal team training for your first store opening. The instructional materials consist of the Franchise Training Manual, Barista Handbook, Partner Portal Guides and other materials, lectures, discussions, and on-the-job demonstration and practice.

Franchisees with multiple units will be trained on how to train opening teams for their respective future units and will be expected to train their opening teams and future staff after their first unit has opened with the assistance of our corporate trainers. In the event you would prefer to have corporate trainers provide in-store training for your second or additional units, there will be a $5,000 in-store training fee and reimbursement for travel expenses and meals for the corporate training team. You must notify the corporate training department of such request 90 days or more before scheduled opening.

Our training program is led by Christina Morin, Vice President of Franchise Operations. Christina oversees our design, construction, training, and franchise operations division. She also owns and operates several Foxtail Coffee shops.

You must attend training if you are an owner/operator. You must send a management level person if you are investing and do not plan on operating the business on a daily basis. Additionally, we recommend your lead manager or senior store lead also attends training. There is no fee for up to 5 people to attend the initial training program. You must pay travel and accommodations of people attending your training at the Orlando, FL training facility. You may send any additional persons to training that you want (up to the maximum described above). You must complete training to our satisfaction at least six weeks before opening your business.

Your business must at all times be under your supervision or under the on-site supervision of your lead manager or senior store lead who has completed our training program. You are required to have a member of your company who carries current ServSafe certification at all times you are open for business. After you open your first unit, if you need to send a new manager to our training program, we will charge a fee, which is currently $500 per person. Otherwise, we do not currently require additional training programs or refresher courses, but we have the right to do so.

Grand Opening Team Training will be scheduled upon delivery of a copy of the Certificate of Occupancy to Franchisor. Grand Opening Team Training takes place in your Foxtail Coffee location and we recommend that all members of ownership and management attend. You will receive the schedule for Grand Opening Training within 5 days of submitting your Certificate of Occupancy to us so that you can hire and notify your new team of the training dates and times.

Item 12
TERRITORY

Your Location

Your franchise is for a specific location. If the specific location is not known at the time you sign a franchise agreement, then your location is subject to our approval.

If you sign a Multi-Unit Development Agreement ('MUDA") in the form attached as Exhibit C to this disclosure document, we will approve sites for future/additional locations based on our then-current site criteria.

Grant of Territory

Your territory will be specified in your franchise agreement using boundaries such as state lines, counties or other political boundaries, streets, geographical features, zip codes or trade areas. There is no minimum required distance between your territory and another franchisee's territory.

Relocation; Establishment of Additional Outlets

You do not have the right to relocate your business, and we have no obligation to approve any request for relocation. Our policy is to approve relocation of a franchisee's business on a case-by-case basis, considering factors such as changes in demographics, profitability of your current business, or a loss of your premises due to circumstances beyond your control.

You do not have the right to establish additional franchised outlets unless you sign a Multi-Unit Development Agreement ("MUDA") in the form attached as Exhibit C to this disclosure document. If you and we sign a MUDA, then you will have the right to establish a mutually agreed number of additional outlets on a mutually agreed development schedule. Under the MUDA, your right to develop additional outlets is subject to (1) you must comply with the mutually-agreed development schedule, (2) you must have sufficient financial and organizational capacity to develop, open, operate, and manage each additional Foxtail Coffee Co. business on the development schedule, (3) you must be in compliance with all brand requirements at your open Foxtail Coffee Co. business(es), and (4) you must not be in default under any agreement with us.

Options to Acquire Additional Franchises

You do not receive any options, rights of first refusal, or similar rights to acquire additional franchises.

Under the Multi-Unit Development Agreement, the right to develop each Foxtail Coffee Co. franchise after establishing the first location is dependent upon the franchisee's financial and organizational ability, to open and maintain each subsequent location and the franchisee must be in full compliance with all brand requirements. Failure to adhere to the development schedule and having secured timely financing for each subsequent location may result in termination of the Multi-Unit Development Agreement.

Territory Protection

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 will not establish either a company-owned or franchised outlet selling the same or similar goods or services under the same or similar trademarks or service marks as a Foxtail Coffee Co. outlet within your Territory, except for non-traditional sites. Franchisees may establish locations immediately adjacent to your Territory, provided they do not physically encroach within your Territory's boundaries.

The continuation of your territorial protection does not depend on achieving a certain sales volume, market penetration, or other contingency. There are no circumstances that permit us to modify your territorial rights.

If you sign a MUDA, you will receive limited exclusivity in your Development Area during the term of the MUDA. Subject to your compliance with the MUDA and all other agreements with us and our affiliates, we and our affiliates will not operate, or license others to operate, any new Foxtail Coffee Co. businesses in the Development Area during the term of the MUDA. However, this limited exclusivity does not apply to: (1) Foxtail Coffee Co. businesses in the Development Area that are open and operating, or under development, as of the effective date of the MUDA; (2) Non-Traditional Locations within the Development Area; (3) Hotel License Program locations within the Development Area; (4) our use of Alternative Distribution Channels (including sales through the internet and other channels of distribution) within the Development Area; and (5) operations at any location after the MUDA terminates or expires. Each individual franchised outlet that you establish under your MUDA will receive its own defined Protected Territory with the same rights and protections as provided to single-unit franchisees under our standard Franchise Agreement, subject to the terms and conditions contained therein.

Non-Traditional Locations

Within your Territory, we will not operate, or grant a franchise for the operation of a business using the primary marks, unless the business is located in food courts, concessionaire locations (including event specific non-permanent, temporary or moveable stands, kiosks, trailers, tents or similar installations), airports, arenas, stadiums, enclosed malls, grocery stores, institutions (such as hospitals and schools), amusement or theme parks, state or national parks, entertainment venues, military installations, and hotels whether existing now or in the future ("Non-Traditional Locations"). We also reserve the right to license or authorize (but not franchise) the use of our marks, trade secrets, and operating methods to hotel owners and operators for businesses located within hotels, whether inside or outside your Territory ("Hotel License Program"). These licensed hotel locations may operate using our trademarks and serve our products and menu items, but will not be Foxtail Coffee Co. franchised businesses. Hotel licensed locations are not subject to the territorial protections described above, and we may establish or authorize hotel licensed locations anywhere, including within your Territory, without restriction. You will have no rights to any hotel licensed locations, and hotel licensed locations will not be required to pay you any compensation or comply with any territorial restrictions. We may establish Hotel License Program locations that directly compete with your franchised business.

The Hotel License Program represents a separate distribution channel that operates under different legal arrangements than our franchise system. Hotel licensed locations may offer the same or similar products and services as franchised locations, and may use the same or similar trademarks, trade dress, and branding. You acknowledge that competition from hotel licensed locations may materially impact your business, including your sales, profits, and market share within your Territory.

Restrictions on Us from Soliciting or Accepting Orders in Your Territory

There are no restrictions on us from soliciting or accepting orders from consumers inside your territory. We reserve the right to use other channels of distribution, such as the internet, telemarketing, or other direct marketing sales, to make sales within your territory using our principal trademarks or using trademarks different from the ones you will use under your franchise agreement. We do not pay any compensation to you for soliciting or accepting orders from inside your territory.

Our Reserved Rights

We retain all rights with respect to Foxtail Coffee Co. businesses, the Marks, the sale of similar or dissimilar products and services, and any other activities we deem appropriate whenever and wherever we desire, including, but not limited to: (i) the right to offer and sell and to grant others the right to offer, within or outside of your Territory, the products and services offered at Foxtail Coffee Co. businesses, under trade and service marks other than the Marks and under any terms and conditions we deem appropriate; (ii) the right to own, franchise, establish and license to others to establish or operate Foxtail Coffee Co. businesses at Non-Traditional Locations at any location within or outside of the Territory and regardless of proximity to your Franchised Business; (iii) the right to own, franchise, establish and license to others to establish or operate Foxtail Coffee Co. businesses located outside the Territory under any terms and conditions we deem appropriate and regardless of proximity to your Franchised Business; (iv) the right to use the Marks and the System to sell any products or services, similar to those which you will sell, through any alternate channels of distribution within or outside of the Territory. This includes, but is not limited to, other channels of distribution such as fairs, expos, and the like, telemarketing or other direct marketing sales or over the Internet (together, the "Alternative Distribution Channels"). You may not use Alternative Distribution Channels to make sales outside or inside your Territory and you will not receive any compensation for our sales made through Alternative Distribution Channels; (v) the right to engage in any transaction, including to purchase or be purchased by, to merge or combine with, to convert to the System or be converted to a new system with any business whether franchised or corporately owned, including a business that competes directly with your Franchised Business, provided that in such situations the newly acquired businesses will not operate under the Marks in your Territory; and (vi) the right to engage in any other business activities not expressly prohibited by this Agreement, both within and outside your Territory.

Third-Party Delivery Services

You must follow our delivery policies and procedures in our Guide, which may require you to provide delivery services and/or utilize third-party delivery services (e.g. Uber Eats, GrubHub, DoorDash, etc.). You may be required to use the third-party delivery service(s) with which we have a national contract, and you may not contract with any other delivery platform without our written approval. You are not guaranteed any specific territory or area for delivery. We may require you to discontinue delivery services. We may expand, contract or eliminate any delivery territory that we provide you.

Soliciting by You Outside Your Territory

There are no restrictions on you from soliciting or accepting orders from consumers outside of your territory, except that we reserve the right to control all internet-based consumer marketing.

Competition by Us Under Different Trademarks

Neither we nor any of our affiliates operate franchises or have plans to operate or franchise a business under a different trademark selling goods or services similar to those you will offer. However, the franchise agreement does not prohibit us from doing so.

Item 13
TRADEMARKS

Under the Franchise Agreement and your payment of Royalties, we grant to you the right to use certain trademarks, service marks and other commercial symbols in connection with the operation of your franchise. The MUDA does not grant you the right to use the Marks or the System.

The following is the principal trademark that we license to you. This trademark is owned by our affiliate, Foxtail Coffee Company, LLC. It is registered on the Principal Register of the United States Patent and Trademark Office.

Trademark	Filing/ Registration Date	Serial/ Registration Number
Foxtail Coffee Co.	Reg: 08/08/2017 Renewed 01/30/2024	Reg: 5262035
Foxtail Coffee Co.	Reg: 08/09/2022	Reg: 6811112
Foxtail Coffee Co. Roasted in the USA Winter Park Florida	Reg: 08/09/2022	Reg: 6811111
Foxtail Coffee Co.	Reg: 08/09/2022	Reg: 6811083
Something New is Brewing	Reg: 03/26/2024	Reg: 7338108
Fox Trot	Filed: 10/01/2024	Serial: 98779622
Fox Trot	Filed: 10/01/2024	Serial: 98779620
Foxtrot	Filed: 10/01/2024	Serial: 98779602
Fox Trot	Filed 10/01/2024	Serial: 98779614

Something Special is Brewing	Filed: 04/15/2025	Serial: 99138490
Brewing Something New	Filed: 3/19/2026	Serial: 99712043
Brew Something New	Filed: 3/19/2026	Serial: 99712066

Our affiliate has filed all affidavits required for our principal trademarks.

There are no effective adverse material determinations of the USPTO, the Trademark Trial and Appeal Board or the trademark administrator of any state, or any court, and no pending infringement, opposition, or cancellation proceedings or material litigation involving the Marks. Our affiliate has filed all required Section 8 and Section 15 affidavits for Registration No. 5262035, which has been renewed and is incontestable. The remaining registrations are less than five years old, and no Section 8 or Section 15 affidavits are yet required for those registrations.

Foxtail Coffee Company, LLC, our affiliate, owns the trademarks described in this Item. Under an Intercompany License Agreement between us and Foxtail Coffee Company, LLC, we have been granted the exclusive right to sublicense the trademarks to franchisees throughout the United States. The agreement is of perpetual duration. It may be modified only by mutual consent of the parties. It may be canceled by our affiliate only if (1) we materially misuse the trademarks and fail to correct the misuse, or (2) we discontinue commercial use of the trademarks for a continuous period of more than one year. The Intercompany License Agreement specifies that if it is ever terminated, your franchise rights will remain unaffected. Other than as stated above, there are no currently effective agreements that significantly limit our rights to use or license the use of the trademark listed above in a manner material to the franchise.

You must follow our rules when you use the Marks. You may not use any Mark (1) in your corporate or legal business name; (2) with any prefix, suffix or other modifying words, terms, designs, or symbols (except for those we license to you); (3) in selling any unauthorized services or products; (4) as part of any domain name, electronic address, or search engine you maintain on any website; (5) in any other way we have not expressly authorized in writing; or (6) that may damage or cause harm to us, our affiliates, the Marks, the System or our principals. You may not make any disparaging remarks related to us, our affiliates, our franchisees, the Marks, the System or our principals.

You must promptly notify us of any suspected unauthorized use of the Marks, any challenge to the validity of the Marks, or any challenge to our ownership of, our right to use and to license others to use, or your right to use, the Marks. We have the sole right

to direct and control any administrative proceeding or litigation involving the Marks, including any settlement. We have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Marks. We may defend you against any third-party claim, suit or demand arising out of your use of the Marks. If we, in our sole discretion, determine that you have used the Marks in accordance with your Franchise Agreement, the cost of the defense, including the cost of any judgment or settlement, will be borne by us. If we determine that you have not used the Marks in accordance with your Franchise Agreement, the cost of the defense, including the cost of any judgment or settlement, will be yours. If there is any litigation relating to your use of the Marks, you must sign any and all documents and do any acts as may, in our opinion, be necessary to carry out the defense or prosecution, including becoming a nominal party to any legal action. Except if this litigation is the result of your use of the Marks in a manner inconsistent with the terms of your Franchise Agreement, we will reimburse you for your out-of-pocket costs in doing these acts.

Other than the above, there are no infringing uses known to us that could materially affect your use of the Marks in your state or elsewhere.

We reserve the right to substitute different Marks for use in identifying the System and the businesses operating under it, at our sole discretion. We are not required to reimburse you for any costs you incur in relation to any change or substitution, such as the cost of changing stationery or signage, and have no obligation or liability to you as a result of any change or substitution.

Item 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents

We do not own rights in, or licenses to, patents that are material to the franchise. We do not have any pending patent applications.

Copyrights

All of our original works of authorship fixed in a tangible medium of expression are automatically protected under the U.S. Copyright Act, whether or not we have obtained registrations. This includes our Brand Standards Guide as well as all other sales, training, management and other materials that we have created or will create. You may use these

copyrighted materials during the term of the franchise, in a manner consistent with our ownership rights, solely for your franchised business.

We do not have any registered copyrights. There are no pending copyright applications for our copyrighted materials. There are no currently effective determinations of the U.S. Copyright Office (Library of Congress) or any court regarding any copyright.

There are no agreements currently in effect that limit our right to use or license the use of our copyrighted materials.

We have no obligation to protect any of our copyrights or to defend you against claims arising from your use of copyrighted items. The franchise agreement does not require us to take affirmative action when notified of copyright infringement. We control any copyright litigation. We are not required to participate in the defense of a franchisee or indemnify a franchisee for expenses or damages in a proceeding involving a copyright licensed to the franchisee. We may require you to modify or discontinue using the subject matter covered by any of our copyrights at your sole cost.

We do not know of any copyright infringement that could materially affect you.

Proprietary Information

We have a proprietary, confidential Brand Standards Guide and related materials on our franchise portal that include guidelines, standards and policies for the development and operation of your business. We also claim proprietary rights in other confidential information or trade secrets that include all methods for developing and operating the business, and all non-public plans, data, financial information, processes, vendor pricing, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, customer data, information and know-how.

You (and your owners, if the franchise is owned by an entity) must protect the confidentiality of our Brand Standards Guide and other proprietary information, at your sole cost, and you must use our confidential information only for your franchised business. We may require your managers and key employees to sign confidentiality agreements.

[*Remainder of page intentionally left blank*]

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

Your Participation

You are not required to participate personally in the direct operation of your business. However, we recommend that you participate.

You must designate one person as your "Principal Executive". The Principal Executive is the executive primarily responsible for your business and has decision-making authority on behalf of the Franchised Business. The Principal Executive must own at least 10% of the Franchised Business. The Principal Executive must complete our initial training program. The Principal Executive must complete any post-opening training programs that we develop in the future. The Principal Executive must make reasonable efforts to attend all in-person meetings and remote meetings (such as telephone or video conference calls), including regional or national brand conferences, that we require. The Principal Executive cannot fail to attend more than three consecutive required meetings.

If your business is owned by an entity, all owners of the Franchised Business and their spouses must sign our Guaranty and Non-Compete Agreement (see Attachment 3 to Exhibit B).

"On-Premises" Supervision

You are not required to personally conduct "on-premises" supervision (that is, act as general manager) of your business. However, we recommend on-premises supervision by you.

There is no limit on who you can hire as an on-premises supervisor. The lead manager of your business (whether that is you or a hired person) must successfully complete our training program.

If the franchise business is owned by an entity, we do not require that the lead manager own any equity in the entity.

Restrictions on Your Manager

If we request, you must have your manager or store lead sign a confidentiality and non-compete agreement. We do not require you place any other restrictions on your manager.

Item 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer all products and perform all services that we periodically require for Foxtail Coffee Franchise Co., businesses, and you are not permitted to offer any products or services that we have not approved. All suppliers, products and services approved by us must be offered for sale on a continuous basis from your Foxtail Coffee Franchise Co., location at the time and in the manner required by us. No sale of any product or service except those products and services from approved suppliers may be solicited, accepted or made at or from your Foxtail Coffee Franchise Co., location. If requested by us with at least 30 days' notice, the marketing of a product or service may be discontinued. If we notify you that a specific product or supplier is no longer approved, you must immediately stop purchasing that product and/or stop purchasing and/or refrain from further contracts with that supplier. Our System standards may regulate required and authorized vendors, and product and service categories. We periodically may change required and/or authorized vendors, products and services and product and service categories. There are no limitations on our rights to make changes to the required services and products offered by you.

Our online policy may completely prohibit you from any use of the Marks in social networking sites or other online use. You may not sell products through other channels of distribution such as wholesale, Internet or mail order sales. Otherwise, we place no restrictions upon your ability to serve customers provided you do so from the location of your Foxtail Coffee Franchise Co. unit, in accordance with our policies.

Upon your request, we will provide recommended pricing tiers for products and services offered at your Foxtail Coffee Franchise Co., location. To maintain brand consistency and quality standards, we reserve the right to establish mandatory pricing tiers for products and services, and you agree to price your products and services within the designated tier system, to the extent permitted by applicable law.

[*Remainder of page intentionally left blank*]

Item 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION
THE FRANCHISE RELATIONSHIP

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

Provision	Section in franchise or other agreement	Summary
a. Length of the franchise term	§ 3.1	10 years from the date of franchise agreement.
b. Renewal or extension of the term	§ 3.2	You may obtain a successor franchise agreement for an unlimited number of additional 5-year terms.
c. Requirements for franchisee to renew or extend	§ 3.2	For our franchise system, "renewal" means that at the end of your term, you sign our successor franchise agreement for an additional 5-year term. You may be asked to sign a contract with materially different terms and conditions than your original contract. To renew, you must give advance notice to us; be in compliance; renovate to then-current standard; sign then-current form of franchise agreement; sign general release (unless prohibited by applicable law), and pay us a $10,000 renewal fee (subject to state law).
d. Termination by franchisee	§ 14.1	If we violate a material provision of the franchise agreement and fail to cure or to make substantial progress toward curing

		the violation within 30 days after notice from you.
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with cause	§ 14.2	We can terminate only if you commit one of several violations.
g. "Cause" defined–curable defaults	§ 14.2	Non-payment by you (10 days to cure); any other curable breach of the franchise agreement or System Standards (30 days to cure); significant danger to the health or safety of any person (48 hours to cure).
h. "Cause" defined–non-curable defaults	§ 14.2	Misrepresentation when applying to be a franchisee; intentionally submitting false information; bankruptcy; failure to open by the opening deadline; lose possession of your location; violation of law; violation of confidentiality; violation of non-compete; violation of transfer restrictions; slander or libel or defamation of us; refusal to cooperate with our business inspection; cease operations for more than 5 consecutive days (unless subject to force majeure); three defaults in 12 months; cross-termination; charge or conviction of a felony, or accusation of an act that is reasonably likely to materially and unfavorably affect our brand; any other breach of franchise agreement which by its nature cannot be cured.
i. Franchisee's obligations on termination/non-renewal	§§ 14.3 – 14.6	Pay all amounts due; return Guide and proprietary items; notify phone, internet, and other providers and transfer service; cease doing business; remove identification; purchase option by us.

j. Assignment of contract by franchisor	§ 15.1	Unlimited
k. "Transfer" by franchisee – defined	Article 1	For you (or any owner of your business) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the Franchised Business, (ii) the franchise agreement, (iii) any direct or indirect ownership interest of more than 25% of the Franchised Business, or (iv) control of the Franchised Business.
l. Franchisor's approval of transfer by franchisee	§ 15.2	No transfers or sales without our pre-approval. We may withhold our consent to the transfer until all documents, instruments, and actions requested by us in connection with the transfer or sale have been completed to our satisfaction.
m. Conditions for franchisor's approval of transfer	§ 15.2	Pay transfer fee; buyer meets our standards; buyer is not a competitor of ours; buyer and its owners sign our then-current franchise agreement and related documents (including personal guaranty); you've made all payments to us and are in compliance with all contractual requirements; buyer completes training program; you sign a general release; business complies with then-current system specifications (including remodel, if applicable). You must fully comply, in a timely fashion, with all documents, instruments, and actions requested by us in connection with the transfer, including without limitation execution of all agreements, delivery of all records, and completion of all transitional obligations. We may withhold our consent to the transfer until all such requirements have been satisfied. You must also submit all

		resale listing materials and proposed listing platforms for our pre-approval; you may not list the Franchised Business on consumer classified or consumer marketplace platforms (including Facebook Marketplace, Craigslist, OfferUp, and Nextdoor); and you may not disclose Confidential Information in any resale listing.
n. Franchisor's right of first refusal to acquire franchisee's business	§ 15.5	If you want to transfer your business (other than a transfer to an entity formed for the convenience of ownership or a transfer by bequest or intestate succession), we have a right of first refusal.
o. Franchisor's option to purchase franchisee's business	Not Applicable	Not Applicable
p. Death or disability of franchisee	§§ 2.4, 15.4	If you die or become incapacitated, a new principal operator acceptable to us must be designated to operate the Franchised Business, and your executor must transfer the Franchised Business to a third party within six months.
q. Non-competition covenants during the term of the franchise	§ 13.2	Neither you, any owner of the Franchised Business, or any spouse of an owner may have ownership interest in, or be engaged or employed by, any competitor. We have the right to temporarily operate the Franchised Business if you die or become incapacitated.
R. Non-competition covenants after the franchise is terminated or expires	§ 13.2	For two years, no ownership or employment by a competitor located within five miles of your former territory or the territory of any other Foxtail Coffee Co. business operating on the date of termination.

S. Modification of the agreement	§ 18.4	No modification or amendment of the agreement will be effective unless it is in writing and signed by both parties. This provision does not limit our right to modify the Guide or system specifications.
T. Integration/merger clause	§ 18.3	Only the terms of the agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable. However, this does not disclaim the representations made by us in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	§ 17.1	All disputes are resolved by arbitration (except for injunctive relief) (subject to applicable state law).
v. Choice of forum	§§ 17.1; 17.5	Arbitration will take place where our headquarters is located (currently, Orlando, Florida) (subject to applicable state law). Any legal proceedings not subject to arbitration will take place in the District Court of the United States, in the district where our headquarters is then located, or if this court lacks jurisdiction, the state courts of the state and county where our headquarters is then located (subject to applicable state law).
w. Choice of law	§ 18.8	Florida (subject to applicable state law).

Provision	Section in MUDA	Summary
a. Length of the franchise term	Not Applicable	Not Applicable

b. Renewal or extension of the term	Not Applicable	Not Applicable
c. Requirements for franchisee to renew or extend	Not Applicable	Not Applicable
d. Termination by franchisee	Not Applicable	Not Applicable
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with cause	§ 7	We can terminate only if you commit one of several violations.
g. "Cause" defined– curable defaults	Not Applicable	Not Applicable
h. "Cause" defined– non-curable defaults	§ 7	Failure to satisfy the development schedule or if any franchise agreement between you and us is terminated.
i. Franchisee's obligations on termination/non-renewal	§§ 5 and 8	If we terminate the MUDA for your default, you shall not be liable to us for lost future revenues or profits from the unopened Foxtail Coffee Co. business.
j. Assignment of contract by franchisor	Not Applicable	Not Applicable
k. "Transfer" by franchisee – defined	Not Applicable	Not Applicable

l. Franchisor's approval of transfer by franchisee	§§ 7 and 10	No transfer without our prior approval.
m. Conditions for franchisor's approval of transfer	Not Applicable	Not Applicable
n. Franchisor's right of first refusal to acquire franchisee's business	Not Applicable	Not Applicable
o. Franchisor's option to purchase franchisee's business	Not Applicable	Not Applicable
p. Death or disability of franchisee	Not Applicable	Not Applicable
q. Non-competition covenants during the term of the franchise	Not Applicable	Not Applicable
r. Non-competition covenants after the franchise is terminated or expires	Not Applicable	Not Applicable
s. Modification of the agreement	Not Applicable	Not Applicable
t. Integration/merger clause	Not Applicable	Not Applicable

u. Dispute resolution by arbitration or mediation	§§ 7 and 10	All disputes are resolved by arbitration (except for injunctive relief).
v. Choice of forum	§§ 7 and 10	Arbitration will take place where our headquarters is located (currently, Orlando, Florida). Any legal proceedings not subject to arbitration will take place in the District Court of the United States, in the district where our headquarters is then located, or if this court lacks jurisdiction, the state courts of the state and county where our headquarters is then located.
w. Choice of law	§§ 7 and 10	Florida (subject to applicable state law).

Item 18
PUBLIC FIGURES

We do not 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.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either

orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Rose Tchekmeian, 1801 Lee Road, Suite 301, Winter Park FL 32789, or 352-290-0283, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20
OUTLETS AND FRANCHISEE INFORMATION

Table 1
Systemwide Outlet Summary
For years 2023 to 2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	17	35	+18
	2024	35	50	+15
	2025	50	72	+22
Company-Owned	2023	24	24	+0
	2024	24	28	+4
	2025	28	32	+4
Total	2023	41	59	+28
	2024	59	78	+19
	2025	78	104	+26

Table 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2023 to 2025

State	Year	Number of Transfers
Florida	2023	2
	2024	0
	2025	1
Total	2023	2
	2024	0
	2025	1

Table 3
Status of Franchised Outlets
For years 2023 to 2025

State	Year	Outlets at the Start of the Year	Outlets Opened	Termi-nations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Florida	2023	16	16	0	0	0	0	32
	2024	32	12	0	0	3	1	40
	2025	40	15	0	0	2	0	53
Georgia	2023	1	2	0	0	0	0	3
	2024	3	1	0	0	0	0	4
	2025	4	4	0	0	0	0	8
Michigan	2023	0	0	0	0	0	0	0
	2024	0	3	0	0	0	0	3
	2025	3	3	0	0	0	0	6
Nevada	2023	0	0	0	0	0	0	0

	2024	0	2	0	0	0	0	2
	2025	2	0	0	0	0	0	2
Virginia	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	1	0	0	0	0	2
North Carolina	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Total	2023	17	18	0	0	0	0	35
	2024	35	19	0	0	3	1	50
	2025	50	24	0	0	2	0	72

Table 4
Status of Company-Owned Outlets
For years 2023 to 2025

State	Year	Outlets at the Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Florida	2023	24	2	0	2	0	24
	2024	24	2	3	1	0	28
	2025	28	3	3	1	1	32
Georgia	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	1	0	0	1	0
Total	2023	24	2	0	2	0	24

	2024	24	2	3	1	0	28
	2025	28	3	3	1	1	32

Table 5
Projected Openings As Of December 31, 2025

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets In The Next Fiscal Year	Projected New Company-Owned Outlets In the Next Fiscal Year
Arizona	1	1	0
Florida	12	31	3
Georgia	5	5	1
Michigan	0	5	0
Nevada	0	0	0
Virginia	1	2	0
North Carolina	0	2	0
South Carolina	1	1	0
Texas	4	3	0
Maryland	1	1	0
Alabama	1	1	0
Totals	25	51	4

Current Franchisees

Exhibit H contains the names of all current franchisees (as of the end of our last fiscal year) and the address and telephone number of each of their outlets.

Former Franchisees

Exhibit H contains the name, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an

outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the disclosure document issuance date.

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

Confidentiality Clauses

In the last three fiscal years, no franchisees have signed any contract, order, or settlement provision that directly or indirectly restricts a current or former franchisee from discussing his or her personal experience as a franchisee in our system with any prospective franchisee.

Franchisee Organizations

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

Item 21
FINANCIAL STATEMENTS

We have included our audited financial statements as of December 31, 2025, December 31, 2024, and December 31, 2023, as Exhibit F to this Disclosure Document. Our fiscal year end is December 31.

Item 22
CONTRACTS

Copies of all proposed agreements regarding this franchise offering are attached as the following Exhibits:

B. Franchise Agreement (with Guaranty and Non-Compete Agreement)
C. Multi-Unit Development Agreement
D. Rider to Lease Agreement
E. Form of General Release
J. State Addenda to Agreements

Item 23
RECEIPTS

Detachable documents acknowledging your receipt of this disclosure document are attached as the last two pages of this disclosure document.

EXHIBIT A

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

We may register this Disclosure Document in some or all of the following states in accordance with the applicable state law. If and when we pursue franchise registration, or otherwise comply with the franchise investment laws, in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in each state and the state offices or officials that we will designate as our agents for service of process in those states:

State	State Administrator	Agent for Service of Process (if different from State Administrator)
California	Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 2101 Arena Boulevard Sacramento, CA 95834 866-275-2677	Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013 1-866-275-2677
Hawaii	Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities P.O. Box 40 Honolulu, HI 96810 (808) 586-2722	Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813
Illinois	Franchise Bureau Office of Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	Attorney General of the State of Illinois 500 South Second Street Springfield, Illinois 62706
Indiana	Franchise Section Indiana Securities Division Secretary of State Room E-111 302 W. Washington Street Indianapolis, IN 46204	Secretary of State 302 West Washington, Room E-111 Indianapolis, Indiana 46204

	(317) 232-6681	
Maryland	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Commissioner of Securities 200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Attorney General's Office Consumer Protection Division Attn: Franchise Section 525 W. Ottawa Street Williams Building, 1st Floor Lansing, MI 48933 (517) 373-7117	Michigan Department of Attorney General Consumer Protection Division Franchise Section 525 W. Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913
Minnesota	Minnesota Department of Commerce Securities-Franchise Registration 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500
New York	NYS Department of Law Investor Protection Bureau 28 Liberty St., 21st Floor New York, NY 10005 (212) 416-8222	Secretary of State 99 Washington Avenue Albany, NY 12231
North Dakota	North Dakota Securities Department 600 East Boulevard Ave., State Capital Fifth Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	Securities Commissioner North Dakota Securities Department 600 East Boulevard Ave., State Capital Fifth Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712
Oregon	Department of Consumer & Business Services Division of Finance and Corporate Securities Labor and Industries Building Salem, Oregon 97310	

	(503) 378-4140	
Rhode Island	Department of Business Regulation Securities Division 1511 Pontiac Avenue John O. Pastore Complex–69-1 Cranston, RI 02920-4407 (401) 462-9527	Division of Securities Department of Business Regulation John O. Pastore Center, Building 69-1 1511 Pontiac Avenue Cranston, Rhode Island 02920
South Dakota	Division of Insurance Securities Regulation 124 South Euclid Suite 104 Pierre, SD 57501-3185 (605) 773-3563	Director of the Division of Insurance 124 South Euclid Suite 104 Pierre, SD 57501-3185 (605) 773-3563
Virginia	State Corporation Commission 1300 East Main Street 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219
Washington	Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, WA 98504-1200 (360) 902-8760	Department of Financial Institutions Securities Division 150 Israel Rd SW Tumwater, WA 98501 (360) 902-8760
Wisconsin	Division of Securities Department of Financial Institutions Post Office Box 1768 Madison, WI 53701 (608) 266-2801	Securities and Franchise Registration Wisconsin Securities Commission 201 West Washington Avenue, Suite 300 Madison, WI 53703

EXHIBIT B

FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

SUMMARY PAGE		
1.	Franchisee / Company	_____
2.	Initial Franchise Fee	$40,000.00 (Single) $35,000.00 (Additional Unit)
3.	Development Area	_____
4.	Business Location	_____
5.	Territory	_____
6.	Opening Deadline	_____
7.	Principal Executive	_____
8.	Franchisee's Address	_____

FRANCHISE AGREEMENT

This Agreement is made between Foxtail Coffee Franchise Co, LLC, a Florida limited liability company ("we," "us," "our," or "Franchisor"), and the person(s) or entity identified on the Summary Page to this Agreement ("you," "your," "yours," or "Franchisee") as of the Effective Date (as stated on the Summary Page).

Background Statement:

A. Franchisor and its affiliate Foxtail Coffee Company, LLC, have created and own a system (the "System") for developing and operating quick serve coffee shop, under the trade name "Foxtail Coffee Co.".

B. The System includes (1) methods, procedures, and standards for developing and operating a Foxtail Coffee Co. business, (2) plans, specifications, equipment, signage, and trade dress for Foxtail Coffee Co. businesses, (3) particular products and services, (4) the Marks, (5) training programs, (6) business knowledge, (7) marketing plans and concepts, and (8) other mandatory or optional elements as determined by Franchisor from time to time.

C. The parties desire that Franchisor license the Marks and the System to Franchisee for Franchisee to develop and operate a Foxtail Coffee Co. business on the terms and conditions of this Agreement.

ARTICLE 1. DEFINITIONS

"Action" means any action, suit, proceeding, claim, demand, governmental investigation, governmental inquiry, judgment, or appeal thereof, whether formal or informal.

"Approved Vendor" means a supplier, vendor, or distributor of Inputs which has been approved by Franchisor.

"Competitor" means any business which offers coffees, espresso-based beverages, teas and related products.

"Confidential Information" means all non-public information of or about the System, Franchisor, and any Foxtail Coffee Co. business, including all methods for developing and operating the Franchised Business, and all non-public plans, data, financial information, processes, vendor pricing, supply systems, marketing systems, formulas,

techniques, designs, layouts, operating procedures, customer data, information, and know-how.

"Franchised Business" means the Foxtail Coffee Co. business owned by Franchisee and operated under this Agreement.

"Gross Sales" means the total dollar amount of all sales generated through the Franchised Business for a given period, including, but not limited to, payment for any services or products sold by Franchisee, whether for cash or credit. Gross Sales does not include (i) bona fide refunds to customers, (ii) sales taxes collected by Franchisee, (iii) sales of used equipment not in the ordinary course of business, or (iv) sales of prepaid cards or similar products (but the redemption of any such pre-paid card or product will be included in Gross Sales).

"Guide" means Franchisor's confidential Brand Standards Guide(s), including any supplements, additions, or revisions from time to time, which may be in any form of media.

"Hotel License Program" means the program under which Franchisor licenses or authorizes (but does not franchise) hotel owners and operators to use the Marks, trade secrets, and operating methods for businesses located within hotels.

"Input" means any goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating the Franchised Business.

"Location" means the location stated on the Summary Page. If no location is stated on the Summary Page, then the Location will be determined in accordance with Article 6.1.

"Losses" includes (but is not limited to) all losses; damages; fines; charges; expenses; lost profits; reasonable attorneys' fees; travel expenses, expert witness fees; court costs; settlement amounts; judgments; loss of Franchisor's reputation and goodwill; costs of or resulting from delays; financing; costs of advertising material and media time/space and the costs of changing, substituting or replacing the same; and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described.

"Marketing Fund" means the fund established (or which may be established) by Franchisor into which Marketing Fund Contributions are deposited.

"Marks" means the trade name and logo contained on the Summary Page, and all other trade names, trademarks, service marks, logos, and other intellectual property specified by Franchisor from time to time for use in a Foxtail Coffee Co. business.

"Non-Traditional Locations" means food courts, concessionaire locations (including event specific non-permanent, temporary or moveable stands, kiosks, trailers, tents or similar installations), airports, arenas, stadiums, enclosed malls, grocery stores, institutions (such as hospitals and schools), amusement or theme parks, state or national parks, entertainment venues, military installations, and hotels, whether existing now or in the future.

"Owner" means each person or entity which directly or indirectly owns or controls any equity of Franchisee. If Franchisee is an individual person, then "Owner" means Franchisee.

"Remodel" means a refurbishment, renovation, and remodeling of the Location to conform to the building design, exterior facade, trade dress, signage, fixtures, furnishings, equipment, decor, color schemes, presentation of the Marks, and other System Standards in a manner consistent with the image then in effect for a new Foxtail Coffee Co. business.

"Required Vendor" means a supplier, vendor, or distributor of Inputs which Franchisor requires franchisees to use.

"System Standards" means, as of any given time, the then-current mandatory procedures, requirements, and/or standards of the System as determined by Franchisor, which may include without limitation, any procedures, requirements and/or standards for appearance, business metrics, cleanliness, customer service, design (such as construction, decoration, layout, furniture, fixtures and signs), equipment, inventory, marketing and public relations, operating hours, presentation of Marks, product and service offerings, quality of products and services (including any guaranty and warranty programs), reporting, safety, technology (such as computers, computer peripheral equipment, smartphones, point-of-sale systems, back-office systems, information management systems, security systems, video monitors, other software, backup and archiving systems, communications systems (including email, audio, and video systems), payment acceptance systems, and internet access, as well as upgrades, supplements, and modifications thereto), uniforms, and vehicles.

"Territory" means the territory stated on the Summary Page. If no territory is stated on the Summary Page, then the Territory is determined in accordance with Article 6.1.

"Transfer" means for Franchisee (or any owner of Franchisee) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the Franchised Business, (ii) this Agreement, (iii) direct or indirect ownership interest of more than twenty-five percent (25%) of the Franchised Business, or (iv) control of the Franchised Business.

ARTICLE 2. GRANT OF LICENSE

2.1 Grant. Franchisor grants to Franchisee the right to operate a Foxtail Coffee Co. business solely at the Location. If no Location is stated on the Summary Page when this Agreement is signed, then the parties will determine the Location in accordance with Article 6.1. Franchisee shall develop, open and operate a Foxtail Coffee Co. business at the Location for the entire term of this Agreement. Franchisee must operate the Franchised Business in strict compliance with all of Franchisor's System Standards. Franchisee acknowledges that it is solely responsible for the day-to-day employment decisions and supervision of its employees, and nothing in this Agreement creates an employment, agency, or joint employer relationship between Franchisor and any employee of Franchisee.

2.2 Protected Territory and Exclusions. Subject to the terms and conditions of this Agreement, Franchisor grants to Franchisee, during the term of this Agreement, the right to operate the Franchised Business within the area described on the Summary Page (the "Protected Territory"). Franchisor will not operate, or grant to any other person the right to operate, a Foxtail Coffee Co. franchised business within the Protected Territory, except as provided in this Section 2.2.

(i) Non-Traditional Locations Exception. Notwithstanding the foregoing, Franchisor expressly reserves the right to operate, or to grant to any other person (including franchisees) the right to operate, Foxtail Coffee Co. businesses at Non-Traditional Locations within or overlapping the Protected Territory. Any premises located at a Non-Traditional Location shall not be deemed part of the Protected Territory, regardless of whether such premises are located within the geographic boundaries of the Protected Territory, and Franchisee shall have no territorial rights with respect to such premises.

(ii) Hotel License Program. Franchisor also reserves the right to license or authorize (but not franchise) hotel owners and operators to use the Marks, trade secrets, and operating methods for businesses located within hotels, whether inside or outside the Protected Territory. Hotel licensed

locations operating under the Hotel License Program: (i) are not Foxtail Coffee Co. franchised businesses and are not subject to the territorial protections set forth in this Agreement; (ii) may be established by Franchisor anywhere, including within the Protected Territory, without restriction; (iii) may offer the same or similar products and services as the Franchised Business and may use the same or similar trademarks, trade dress, and branding; and (iv) may compete directly with the Franchised Business. Franchisee acknowledges and agrees that Franchisee has no rights to any hotel licensed locations and that hotel licensed locations are not required to pay Franchisee any compensation or comply with any territorial restrictions.

(iii) Franchisor's Reserved Rights. Franchisor expressly reserves all other rights with respect to Foxtail Coffee Co. businesses, the Marks, the sale of similar or dissimilar products and services, and any other activities Franchisor deems appropriate whenever and wherever Franchisor desires, including, but not limited to: (i) the right to offer and sell and to grant others the right to offer, within or outside the Protected Territory, the products and services offered at Foxtail Coffee Co. businesses, under trade and service marks other than the Marks and under any terms and conditions Franchisor deems appropriate; (ii) the right to own, franchise, establish and license to others to establish or operate Foxtail Coffee Co. businesses located outside the Protected Territory under any terms and conditions Franchisor deems appropriate and regardless of proximity to the Franchised Business; (iii) the right to use the Marks and System to distribute, market, or sell products or services similar to those offered by the Franchised Business through any alternative channels of distribution, including but not limited to the internet, telemarketing, direct marketing, mail order, or wholesale distribution, within or outside the Protected Territory; (iv) the right to establish, own, operate, franchise, or license businesses that compete with the Franchised Business under trademarks, service marks, or trade names other than the Marks, at any location within or outside the Protected Territory; (v) the right to engage in any transaction, including to purchase or be purchased by, to merge or combine with, to convert to the System or be converted to a new system with any business whether franchised or corporately owned, including a business that competes directly with the Franchised Business, provided that in such situations the newly acquired businesses will not operate under the Marks within the Protected Territory; and (vi) the right to engage in any other

business activities not expressly prohibited by this Agreement, both within and outside the Protected Territory.

2.3 Franchisee Control. Franchisee represents that Attachment 1 (i) identifies each owner, officer and director of Franchisee, and (ii) describes the nature and extent of each owner's interest in Franchisee. If any information on Attachment 1 changes (which is not a Transfer), Franchisee shall notify Franchisor within ten (10) days.

2.4 Principal Executive. Franchisee agrees that the person designated as the "Principal Executive" on the Summary Page is the executive primarily responsible for the Franchised Business and has decision-making authority on behalf of Franchisee. The Principal Executive must have at least ten percent (10%) ownership interest in Franchisee. The Principal Executive does not have to serve as a day-to-day general manager of the Franchised Business, but the Principal Executive must devote substantial time and attention to the Franchised Business. The Principal Executive shall use reasonable efforts to attend all in-person meetings and remote meetings (such as telephone or video conference calls) that Franchisor requires, including any national or regional brand conferences or conventions, and Franchisee shall not permit the Principal Executive to fail to attend more than three (3) consecutive required meetings. If the Principal Executive dies, becomes incapacitated, transfers his/her interest in Franchisee, or otherwise ceases to be the executive primarily responsible for the Franchised Business, Franchisee shall promptly designate a new Principal Executive, subject to Franchisor's prior written approval, which may be withheld in Franchisor's sole and absolute discretion.

2.5 Guaranty of Performance.

(i) All of your owners, and each of their spouses, if applicable, shall jointly and severally personally guarantee your payment and performance under this Agreement and personally bind themselves to the terms of this Agreement pursuant to the attached Guarantee, Indemnification and Acknowledgement ("Guarantee"). Unless you are a publicly held entity, all of your officers, directors, limited liability company managers and their spouses, if applicable, also shall jointly and severally guarantee your payment and performance under this Agreement and bind themselves to the terms of this Agreement pursuant to the attached Guarantee. Notwithstanding the foregoing, we reserve the right, in our sole discretion, to waive the requirement that some or all of the previously described individuals sign the attached Guarantee. We also reserve the right to

require any guarantor to provide personal financial statements to us from time to time.

(ii) With respect to your owners, you acknowledge that, unless otherwise agreed to in writing by us, it is our intent to have individuals (and not corporations, limited liability companies or other entities) sign the Guarantee. Accordingly, if any owner is not an individual, we shall have the right to require individuals who have only an indirect ownership interest in you to sign the Guarantee. (By way of example, if an owner is a corporation, we have the right to require individuals who have an ownership interest in that corporation to sign the Guarantee.)

2.6 No Conflict. Franchisee represents to Franchisor that Franchisee and each of its Owners (i) are not violating any agreement (including any confidentiality or non-competition covenant) by entering into or performing under this Agreement, (ii) are not a direct or indirect owner of any Competitor, and (iii) are not listed or "blocked" in connection with, and are not in violation under, any anti-terrorism law, regulation, or executive order.

2.7 Franchisee acknowledges that: (a) Franchisee has been advised that Franchisor operates and intends to continue operating a multi-channel distribution system that may include franchised businesses, company-owned businesses, licensed businesses (including the Hotel License Program), and alternative distribution channels; (b) businesses operating under Franchisor's reserved rights, including Non-Traditional Locations and Hotel License Program locations, may directly compete with the Franchised Business and may materially impact the sales, profits, and market share of the Franchised Business; (c) Franchisee has made an independent evaluation of the competitive risks associated with such competition; and (d) the territorial rights granted to Franchisee are subject to all of Franchisor's reserved rights set forth in this Agreement and the limitations regarding Non-Traditional Locations and the Hotel License Program. Franchisee waives any claim that the operation of businesses under Franchisor's reserved rights, including businesses at Non-Traditional Locations or under the Hotel License Program, constitutes a breach of this Agreement, unfair competition, or interference with Franchisee's business, provided that such businesses comply with the terms and limitations set forth in this Agreement.

ARTICLE 3. TERM

3.1 Term. Unless terminated sooner as provided in this Agreement, the initial term of this Agreement (the "Initial Term") commences on the Effective Date and continues for 10 years.

3.2 Successor Agreement. When the term of this Agreement expires, Franchisee may enter into a successor agreement for an unlimited number of additional periods of five (5) years each (each a "Renewal Term") if Franchisee is in full compliance with the terms of this Agreement and all other agreements with Franchisor and its affiliates, and meets all conditions set forth in Section 3.3. The qualifications and conditions for the first Renewal Term are described below. The qualifications and conditions for the second Renewal Term will be described in the form of renewal franchise agreement signed upon the expiration of this Agreement.

3.3 Conditions for a Renewal Term. In order to be eligible for a Renewal Term, you must meet the following conditions:

(i) You must give us written notice of your election to remain a franchisee for the first Renewal Term between ninety (90) and one hundred eighty (180) days prior to the end of the Initial Term;

(ii) You must not be in default under this Agreement or any other agreements with us and/or our affiliates; you must not be in default beyond the applicable cure period under any real estate lease, equipment lease or financing instrument relating to the Franchised Business; you must not be in default beyond the applicable cure period with any vendor or supplier to the Franchised Business; and, for the twelve (12) months before the date of your renewal notice and the twelve (12) months before the expiration of the Initial Term, you must not have been in default beyond the applicable cure period under this Agreement or any other agreements with us and/or our affiliates;

(iii) You must make the capital expenditures required to renovate and modernize the Franchised Business to conform to the interior and exterior designs, décor, color schemes, furnishings and equipment and presentation of the Marks consistent with the image of the System for new Foxtail Coffee Co. businesses at the time you provide the renewal notice, including such structural changes, remodeling, redecoration and modifications to existing improvements as may be necessary to do so;

(iv) You must present satisfactory evidence to us that you have the right to remain in possession of the Premises, or other premises acceptable to us, for the Renewal Term and all monetary obligations owed to your landlord, if any, must be current;

(v) You pay us a renewal fee equal to ten thousand dollars ($10,000), subject to state law (the "Renewal Franchise Fee");

(vi) You must be operating the Franchised Business in full compliance with all federal, state and local laws and regulations and you must demonstrate that you are able to maintain all licenses and permits necessary to continue to operate the Franchised Business for the Renewal Term; and

(vii) Franchisee and each Owner executes a general release (on Franchisor's then-standard form) of any and all claims against Franchisor, its affiliates, and their respective owners, officers, directors, agents and employees.

ARTICLE 4. FEES

4.1 Initial Franchise Fee. You agree to pay us a nonrecurring and non-refundable initial franchise fee ("Initial Franchise Fee") in the amount stated on the Summary Page. If you and we have entered into a Multi-Unit Development Agreement ("MUDA"), the Initial Franchise Fee for this Franchised Business and the initial franchise fees for all other Foxtail Coffee Co. businesses you have committed to develop under the MUDA shall be paid in full upon execution of the MUDA, in accordance with Section 1 of the MUDA. If you have not entered into a MUDA, the Initial Franchise Fee shall be paid upon execution of this Agreement. The Initial Franchise Fee is non-refundable under all circumstances.

4.2 Royalty Fee. Franchisee shall pay Franchisor, in the manner provided in Article 4.9, a royalty fee (the "Royalty Fee") equal to 6% of Gross Sales, calculated on a monthly basis and due and payable on the date(s) specified by Franchisor in the Guide or otherwise in writing. Franchisor reserves the right to require weekly payment of Royalty Fees upon thirty (30) days' prior written notice to Franchisee. If any state imposes a sales or other tax on the Royalty Fees, then we have the right to collect this tax from you.

4.3 Mobile Application Fee. Upon the opening of your Franchised Business and continuing each month throughout the Term of this Agreement, you must pay us our then-current mobile application fee to defray and/or cover the costs of specific mobile

application(s) that Franchisor has determined to provide as part of the System. The Franchisor may modify the Mobile Application Fee upon 30-days prior written notice to Franchisee.

4.4 Marketing Contributions. Franchisee shall pay Franchisor a non-refundable contribution to the Marketing Fund (the "Marketing Fund Contribution") equal to one percent (1%) of Franchisee's monthly Gross Sales (or such lesser amount as Franchisor determines), at the same time as the Royalty Fee.

4.5 Replacement/Additional Training Fee. If Franchisee sends an employee to Franchisor's training program after opening, Franchisor may charge its then-current training fee. As of the date of this Agreement, the training fee is Five Hundred dollars ($500) per person per day in addition to any travel related expenses.

4.6 Third Party Vendors. If Franchisor requires Franchisee to use a designated third-party vendor, Franchisor has the right (but not the obligation) to collect payment on behalf of the vendor and remit the payment to the vendor. If Franchisor does so, it may impose a reasonable markup or charge for administering the payment program.

4.7 Non-Compliance Fee. Franchisor may charge Franchisee seven hundred fifty dollars ($750) for any instance of non-compliance with the System Standards or this Agreement (other than Franchisee's non-payment of a fee owed to Franchisor) which Franchisee fails to cure after thirty (30) days' notice. Thereafter, Franchisor may charge Franchisee five hundred dollars ($500) per week until Franchisee ceases such non-compliance. This fee is a reasonable estimate of Franchisor's internal cost of personnel time and resources attributable to addressing the non-compliance, and it is not a penalty or estimate of all damages arising from Franchisee's breach. The non-compliance fee is in addition to all of Franchisor's other rights and remedies (including default and termination under Article 14.2).

4.8 Reimbursement. Franchisor may (but is never obligated to) pay on Franchisee's behalf any amount that Franchisee owes to a supplier or other third party. If Franchisor does so or intends to do so, Franchisee shall pay such amount plus a ten percent (10%) administrative charge to Franchisor within fifteen (15) days after invoice by Franchisor accompanied by reasonable documentation.

4.9 Payment Terms.

(a) Method of Payment. Franchisee shall pay the Royalty Fee, Marketing Fund Contribution, and any other amounts owed to Franchisor by electronic funds transfer

("EFT") or any other automatic payment mechanism as may be determined and required by the Franchisor. Promptly upon Franchisor's request, Franchisee shall execute and deliver to Franchisor Franchisor's then-current EFT payment form and all pre-authorized check forms and other instruments or drafts required by Franchisor's bank, payable against Franchisee's bank account, to enable Franchisor to draw Franchisee's Royalty Fees and other sums payable under the terms of this Agreement. You agree to make the funds available for withdrawal by electronic transfer before each due date. We reserve the right to require an alternative payment method or payment frequency for any fees or amounts owed to us or our affiliates under the Agreement.

(b) Calculation of Fees. Franchisor will calculate Royalty & Marketing Fees from our System-Wide POS Software on a monthly basis. Franchisor reserves the right to move to a weekly basis at any-time with thirty day notice to Franchisees. If the Royalty Fees and Marketing Fund Contributions we debit are greater than the Royalty Fees and Marketing Fund Contributions you actually owe us, we will credit the excess against the amount we otherwise would debit from your account during the following month. Franchisee acknowledges that Franchisor has the right to remotely access Franchisee's point-of-sale system to calculate Gross Sales.

(c) Late Fees and Interest. If Franchisee does not make a payment on time, Franchisee shall pay a two hundred and fifty dollar ($250) "late fee" plus interest on the unpaid amount at a rate equal to eighteen percent (18%) per year (or, if such payment exceeds the maximum allowed by law, then interest at the highest rate allowed by law). This provision does not permit or excuse late payments. You agree that such fee is in addition to any other rights or remedies we may have under this Agreement or at law.

(d) Insufficient Funds. Franchisor may charge fifty dollars ($50) for any payment returned for insufficient funds (or, if such amount exceeds the maximum allowed by law, then the fee allowed by law).

(e) Costs of Collection. You must pay to us on demand any and all collection costs and expenses (including costs and commissions due a collection agency, costs incurred in creating or replicating reports demonstrating Gross Sales of the Franchised Business, reasonable attorneys' fees, court costs, expert witness fees, discovery costs and reasonable attorneys' fees and costs on appeal, together with interest charges on all of the foregoing) incurred by us in enforcing the terms of this Agreement, including in collecting any monies owed by you to us.

(f) Application. Franchisor reserves the right to apply any payment received from Franchisee to any obligation and in any order as Franchisor may determine, regardless of any designation by Franchisee.

(g) Partial Payments. No payment by you or acceptance by us of any monies under this Agreement for a lesser amount than due shall be treated as anything other than a partial payment on account. Your payment of a lesser amount than due with an endorsement, statement or accompanying letter to the effect that payment of the lesser amount constitutes full payment shall be given no effect, and we may accept the partial payment without prejudice to any rights or remedies we may have against you. Acceptance of payments by us other than as set forth in this Agreement shall not constitute a waiver of our right to demand payment in accordance with the requirements of this Agreement or a waiver by us of any other remedies or rights available to us pursuant to this Agreement or under applicable law. Notwithstanding any designation by you, we shall have sole discretion to apply any payments by you to any of your past due indebtedness for Royalty Fees, Marketing Fund Contributions, and other fees or purchases from us or our affiliates, interest or any other indebtedness. We have the right to accept payment from any other entity as payment by you. Acceptance of that payment by us will not result in that other entity being substituted for you.

(h) Obligations Independent; No Set-Off. We may set-off any amounts you owe us or our affiliates against any amounts we or our affiliates might owe you. You may not withhold payment of any amounts you owe us due to our alleged nonperformance of any of our obligations under this Agreement or any other agreement between us (and/or our affiliates) and you.

ARTICLE 5. ASSISTANCE

5.1 Guide. We will grant to you, to use in operating the Franchised Business during this Agreement's term, access (or access to an electronic copy) to our Franchise Operations Procedures ("Franchise Operations Procedures"), which is part of our franchise partner portal. You agree to develop and operate the Franchised Business in strict accordance with this Agreement and the Franchise Operations Procedures, including all directives, requirements, standards, methods of operations, systems, and any and all modifications, additions, deletions, and changes made to the Franchise Operations Procedures from time to time during the term of this Agreement (collectively, "System Standards"), however communicated including, but not limited to intranet system, franchise portal, email, video, verbal or mail. You agree to promptly accept and comply with any such addition, subtraction, revision, modification or change and to make

such reasonable expenditures as may be necessary to comply at your sole cost. The Non-Compliance Fee described in Article 4.7 shall apply to this Article 5.1 if you fail to implement the changes. You agree to keep any copy of the Franchise Operations Procedures you may download in a secure location at the Franchised Business. If there is a dispute over the contents of the Franchise Operations Procedures, the master copy of the Franchise Operations Procedures at our office controls. You agree that the contents of the Franchise Operations Procedures are confidential and that you will not disclose the Franchise Operations Procedures to any person other than Franchised Business employees and/or independent professionals who need to know its contents. You may not at any time copy, duplicate, record or otherwise reproduce any part of the Franchise Operations Procedures.

5.2 Assistance in Hiring Employees. Franchisor shall provide its suggested staffing levels to Franchisee. Franchisor shall provide suggested guidelines for hiring employees. Notwithstanding these suggestions, all hiring decisions and conditions of employment remain Franchisee's sole responsibility.

5.3 Assistance in Training Employees. Franchisor shall, at its sole discretion, provide programs for Franchisee to conduct training of new employees.

5.4 Pre-Opening Assistance.

(a) Selecting Location. Franchisor shall provide its criteria for Foxtail Coffee Co. locations to Franchisee. Franchisor reserves the right to review and advise Franchisee regarding potential locations submitted by Franchisee.

(b) Pre-Opening Plans, Specifications, and Vendors. Within a reasonable period of time after the Effective Date, Franchisor shall provide Franchisee with (i) Franchisor's sample set of standard building plans and specifications and/or standard recommended floor plans; (ii) the applicable System Standards, (iii) other specifications as Franchisor deems appropriate (which may include specifications regarding inventory, supplies, materials, and other matters), and (iv) Franchisor's lists of Approved Vendors and/or Required Vendors.

(c) Business Plan Review. If requested by Franchisee, Franchisor shall review and advise on Franchisee's pre-opening business plan and financial projections. Franchisee acknowledges and agrees that Franchisor accepts no responsibility for the performance of the Franchised Business.

(d) Pre-Opening Training. Franchisor shall make available its standard pre-opening training to the Principal Executive and up to five (5) other employees, at Franchisor's headquarters and/or at a Foxtail Coffee Co. business designated by Franchisor. Franchisor shall not charge any fee for this training. Franchisee is responsible for its own travel, lodging, meal, and other out-of-pocket expenses. Franchisor reserves the right, at its sole discretion, to vary the length and content of the initial training program based on the experience and skill level of any individual attending the program.

(e) Market Introduction Plan. Franchisee shall develop and submit to Franchisor a comprehensive market introduction plan for Franchisor's review and approval at least sixty (60) days prior to the projected opening date of the Franchised Business. Franchisor shall provide guidance to Franchisee regarding the planning and execution of Franchisee's market introduction plan. Franchisee acknowledges and agrees that Franchisor's approval of the market introduction plan is required before the Franchised Business may open, and failure to timely submit or obtain approval of the market introduction plan may result in delays in Franchisor's consent to open the Franchised Business.

(f) On-Site Opening Assistance. Franchisor shall provide a representative to support the Franchisee's business opening with a minimum of three (3) days and a maximum of seven (7) days of onsite opening training, testing and assistance.

5.5 Post-Opening Assistance.

(a) Advice, Consulting, and Support. If Franchisee requests, Franchisor will provide advice to Franchisee (by telephone or electronic communication) regarding improving and developing Franchisee's business, and resolving operating problems Franchisee encounters, to the extent Franchisor deems reasonable. If Franchisor provides in-person support in response to Franchisee's request, Franchisor may charge its then-current fee plus any out-of-pocket expenses (such as travel, lodging, and meals for employees providing onsite support).

(b) Pricing. Upon request, Franchisor will provide recommended price tiers for products and services offered by franchisees of the System. You will be required (as permitted by local law), to participate in Brand-wide marketing events such as Free Coffee Days and other promotional marketing tools used to market the brand.

(c) Procedures. Franchisor will provide Franchisee with Franchisor's recommended administrative, bookkeeping, accounting, and inventory control procedures. Franchisor

may make any such procedures part of required (and not merely recommended) System Standards.

(d) Marketing. Franchisor shall manage the Marketing Fund.

(e) Internet. Franchisor shall maintain a website and a Mobile App for Foxtail Coffee Co., which will include Franchisee's location(s) and telephone number.

ARTICLE 6. LOCATION, DEVELOPMENT, AND OPENING

6.1 Determining Location and Territory. If the Location and Territory are not stated on the Summary Page:

(i) We will provide you with our site selection criteria and, as you may request, a reasonable amount of consultation with respect to the site selection process. Periodically, we may change our site selection criteria, which may include population density and composition, leasing costs, parking, visibility, character of the neighborhood, competition from other similar retail stores in the area, proximity to other businesses (including businesses operated or franchised by us or our affiliates), the nature of other businesses in proximity to the site and other commercial characteristics, and the size, appearance, other physical characteristics and a site plan of the Premises.

(ii) Within ninety (90) days after the Effective Date you must engage a commercial real estate broker to provide you with suitable sites to submit to Franchisor through our site submission portal for review including a complete site report and other collateral materials and information, we request for a suitable site located within the geographic area identified on the Summary Page ("Site Selection Area"). You should not submit any Letter of Intent (LOI) and/or make any binding commitments to acquire any interest in any site for the Franchised Business until we have approved and accepted that site in writing.

(iii) Within fourteen (14) days after you submit your site for review, we or our designee will conduct an evaluation of the proposed site(s) and accept or reject your proposed site(s). At our option, we may conduct an on-site evaluation of the proposed site(s). We do not charge any fees to conduct one (1) market visit, however; if we require, or if you request, any additional market visits, you must pay a site review fee to us in the amount of Five Hundred Dollars ($500) and reimburse us for our travel and accommodation expenses associated with such visits. We will not unreasonably withhold our acceptance of a site that meets our site selection criteria. In determining whether to accept or reject a proposed site, we also may consider the site's proximity both to the

Site Selection Area's boundaries and to other existing or potential sites for Foxtail Coffee Co. businesses located outside the Site Selection Area. If we do not accept a proposed site in writing in this time period, we will be deemed to have rejected the site. Approved sites will only be held in the approved status for 180 days to allow for proper LOI and lease negotiations. If LOI and lease negotiations have not been completed within the 180 days from site approval, then we may reject the previously approved site.

(iv) You agree that our acceptance of a site for the Franchised Business and any information communicated to you regarding our site selection criteria for Foxtail Coffee Co. businesses does not constitute a warranty or representation of any kind, express or implied, as to the suitability of any site for the Franchised Business or for any other purpose. Our site software ranking and/or acceptance of a site is not a representation or a promise by us that the Franchised Business operated at the site will achieve certain revenues or a certain level of profitability. Similarly, our acceptance of one or more sites and our rejection of other sites is not a representation or a promise that the accepted site will have higher revenues or be more profitable than a site that we rejected.

(v) You agree that your decision to develop and operate the Franchised Business at a site that we accept is based solely on your own independent investigation of the suitability of that site for a Foxtail Coffee Co. business. We assume no liability or responsibility for: (1) evaluation of the soil of the site for hazardous substances; (2) inspection of any structure at the site for asbestos or other toxic or hazardous materials; (3) compliance with the Americans with Disabilities Act ("ADA"); or (4) compliance with any other applicable law. It is your sole responsibility to obtain satisfactory evidence and/or assurances that the site and any structures on the site are free from environmental contamination and in compliance with the requirements of the ADA.

6.2 Site Acquisition Period. If you propose to purchase the site for the Franchised Business, you must provide us with a copy of the deed or other evidence of ownership within ninety (90) days after we accept the site (the "Site Acquisition Period"). If you propose to lease or sublease the site, you must provide us with a copy of the fully executed lease or sublease for the site ("Lease") within the Site Acquisition Period. After you secure an ownership or leasehold interest in the site, we will insert its address into the Summary Page, and it will be the Premises. You hereby authorize us to deliver to you electronic replacements for the Summary Page identifying the Premises, and upon our delivery to you of a revised Summary Page, that Summary Page shall be binding upon us and you as if we and you had signed that Summary Page.

6.3 Lease. We have the right to review the terms of the Lease for the Premises before you sign the Lease. The Lease must: (1) in form and substance, be satisfactory to us; (2) include all of the provisions set forth in the Form of Addendum to Lease attached to this Agreement as Exhibit D; (3) be for an aggregate term of (at least) fifteen (15) years in a combination of initial and renewal terms (twenty years is our current lease standard term); (4) contain terms and conditions and payments that are commercially reasonable in our opinion; and (5) include any other provisions as we may require from time to time. The Lease shall not contain any covenants or other obligations that would prevent you from performing your obligations under this Agreement. The lease shall not contain any radius restriction that prevents the Franchisor or other Franchisees the ability to develop outside of a one (1) mile radius of the site. Any restrictive covenants within the lease must have Franchisor written approval in advance. You acknowledge that our review of the Lease is not a guarantee or warranty, express or implied, of the success or profitability of a Foxtail Coffee Co. business operated at the Premises. Our review will indicate only whether we believe that the terms of the Lease meet our then-acceptable criteria. We recommend you hire an attorney to review your lease before execution.

6.4 Development.

(i) You assume all cost, liability, and expense for developing, constructing and equipping the Franchised Business. We will furnish to you prototypical plans and specifications for a Foxtail Coffee Co. business, including requirements for dimensions, design, image, interior layout, décor, fixtures, equipment, signs, security, furnishings, and color scheme. It shall be your responsibility to have prepared all required construction plans and specifications to suit the shape, dimensions, and utility requirements of the Premises, and you must ensure that these plans and specifications comply with applicable ordinances, building codes and permit requirements and with lease requirements and restrictions. You shall use only registered architects, registered engineers, and professional and licensed contractors (who are reasonably acceptable to us). You or your contractor must supply a weekly timeline update of the project status from commencement through the issuance of your Certificate of Occupancy to our Construction Department representative.

(ii) Prior to submission to local authorities, you shall submit proposed construction plans, specifications, and drawings for the Franchised Business ("Plans") to us and shall, upon our request, submit all revised or "as built" Plans during the course of such construction. We will approve or reject the Plans and notify you within twenty-one (21) days after we receive the Plans. Once we have approved the Plans, no substantial change shall be made to the Plans without our prior approval. If, in the course

of construction, any such change in the Plans is contemplated, our approval must first be obtained before proceeding. We shall approve or reject Plan changes within ten (10) business days after receipt. We shall not unreasonably withhold our approval of the Plans or revisions to the Plans.

(iii) You are prohibited from beginning site preparation or construction prior to receiving written notification from us that we have approved the Plans, and you, we, and your general contractor have met to review the proposed construction process. You must construct the Franchised Business in accordance with Plans approved by us and must comply in all respects with applicable laws, ordinances and local rules and regulations. You may not open the Franchised Business if construction has not been performed in substantial compliance with Plans approved by us, and we may terminate this Agreement if such non-compliance is not cured within a commercially reasonable amount of time. Once construction has commenced, it shall continue uninterrupted, except for interruption by reason of events constituting Force Majeure, until completed.

6.5 Acquisition of Necessary Furnishings, Fixtures and Equipment.

(i) You agree to use in the development and operation of the Franchised Business only the fixtures, furnishings, décor items, supplies, equipment, smallwares and signs that we have approved for Foxtail Coffee Co. businesses as meeting our specifications and standards for quality, design, appearance, function, and performance. You further agree to place or display at the interior and exterior of the Franchised Business only those signs, décor items, emblems, lettering, logos, and display materials that we approve in writing from time to time.

(ii) You must purchase or lease approved brands, types or models of fixtures, furnishings, equipment, supplies and signs only from suppliers designated or approved by us, which may include us or our affiliates. If you propose to purchase, lease, or otherwise use any items which have not been approved by us, you must first notify us in writing and, at your sole expense, submit to us upon our request sufficient specifications, photographs, drawings and/or other information or samples for a determination as to whether those items comply with our specifications and standards. Mural designs must be submitted for approval. We will, in our sole discretion, approve or reject the items and notify you of such decision within thirty (30) days after we receive the request.

6.6 Training.

(i) Initial Owner/Management Training Program. At least six (6) weeks before you open your Franchised Business, your Principal Executive must attend and successfully complete our Initial Training Program. You are encouraged to bring your Manager or Lead Operator to the Initial Owner/Management Training Program at no additional cost. We will hold the Initial Owner/Management Training Program at our corporate training facility in Orlando, Florida. The Initial Owner/Management Training Program takes 8 to 10 days to complete. We have the right to reduce or extend the duration or content of the Initial Owner/Management Training Program for any trainee based on our assessment of their skill level. After opening the Franchised Business, any employee of yours who assumes a manager position must, within thirty (30) days after assuming such position, attend and successfully complete our Initial Owner/Management Training Program. In the event your hire a new manager, you will be required to pay our tuition fee for training a management . The fee for replacement management training at the corporate training facility is Five Hundred Dollars ($500) as well as incur all travel related expenses.

(ii) Training By You. If your Manager does not attend the Initial Owner/Management Training Program, your Principal Executive must conduct the Initial Owner/Management Training Program for your Manager using training materials certified by us. Prior to and after the opening of the Franchised Business, your Principal Executive and/or your Manager shall conduct any additional initial and continuing training programs that we require for all other store employees in the operation of the Franchised Business. We have the right to review your training programs periodically to ensure their quality and to verify that your personnel are being trained in a timely and satisfactory manner. We will notify you of any deficiencies in your training program and you must promptly cure the deficiencies. You will be responsible for all costs that you incur in training your managers and employees. If you need to send any of your managers and employees to our Corporate Operated Training Program, you will pay a tuition fee in the amount of Five Hundred Dollars ($500) per person attending the Training Program as well as incur all travel related expenses.

(iii) Additional Training. After you open your Franchised Business:

a) Your managers that we reasonably designate must attend and complete, to our satisfaction, any additional training programs that we require from time to time. These additional training programs may include classroom training, web-based training and programs offered

by third parties. We may require you to pay our then current training fee for these programs (plus travel, meals, and lodging expenses for our representatives, if we conduct the training at your Franchised Business).

b) Your Principal Executive also must attend a national business meeting or our annual convention (if we elect to have one) for up to three (3) days each year ("Annual Convention"). We will determine the topics and agenda for such Annual Convention to serve the purpose among other things, of updating franchisees on new developments affecting franchisees, exchanging information between franchisees and our personnel regarding operations and programs, and recognizing franchisees for their achievements. We require that your Principal Executive attend the Annual Convention, and to pay our then-current registration fee if we choose to charge a registration fee in our sole discretion. All expenses, including your and your employees' transportation to and from the Annual Convention, lodging, meals, and salaries during the Annual Convention, are your sole responsibility. We may use Marketing Fund Contributions for purposes related to the Annual Convention, including costs related to productions, programs, and materials. If you fail to attend the Annual Convention or fail to send an authorized representative without our prior written consent, you must pay us a fee of one thousand dollars ($1,000). We currently do not host an Annual Convention but may do so in the future at our discretion.

c) We periodically, as we deem appropriate, will advise and consult with you in connection with the operation of the Franchised Business. We may provide these services through visits by our representatives to the Franchised Business or your offices, the distribution of print, video, or electronic information, meetings or seminars, telephone communications, e-mail communications or other communications. We will periodically inspect the Franchised Business and its operations to assist your operations and ensure compliance with the System. At your request, we may provide special assistance at the Franchised Business for which you will be required to pay our then current per diem training fees and travel expenses.

6.7 Conditions to Opening.

(i) You must complete construction of the Franchised Business within one hundred and eighty (180) days after the start of construction unless we agree otherwise. The requirement to complete construction of the Franchised Business includes obtaining all required construction and occupancy licenses, permits and approvals, developing the Premises, purchasing all required equipment and supplies, installing all required furnishings, fixtures, equipment and signs, and doing all other things as may be required pursuant to this Agreement or by practical necessity to have the Franchised Business ready to open for business.

(ii) You shall notify us in writing at least thirty (30) days prior to the date you expect construction and/or renovation to be completed and a certificate of occupancy to be issued ("Occupancy Notice") for the Franchised Business. After our receipt of the Occupancy Notice, we reserve the right to conduct a final inspection of the Franchised Business to determine if you have complied with this Agreement in connection with the development of the Franchised Business including the final plans. We shall not be liable for delays or loss occasioned by our inability to complete our investigation and to make a determination within this thirty (30) day period. You shall submit a copy of the certificate of occupancy to us immediately upon issuance. Once your Certificate of Occupancy is received by us, we will provide you with your opening training schedule within five (5) business days of receipt.

(iii) You shall not open the Franchised Business for business without our express written authorization, which will not be granted unless you have satisfied the conditions contained in Section 6.8 below. You must open the Franchised Business before the Opening Deadline. Time is of the essence in the construction and opening of the Franchised Business, and failure to comply with all deadlines relating thereto constitutes a material breach and default of this Agreement. Any extensions of time are subject to our approval, which we may withhold at our discretion. You must provide a written report to us in a form specified by us detailing all construction and development costs and expenses for the Franchised Business within thirty (30) days after the opening of the Franchised Business. You acknowledge and agree that we will share these costs and expenses with other existing and prospective franchisees and developers of Foxtail Coffee Co. businesses.

6.8 Opening the Franchised Business. We will not authorize the opening of the Franchised Business unless all of the following conditions have been met:

(i) You are not in material default under this Agreement or any other agreements with us or our affiliates; you are not in default beyond the applicable cure period under any real estate lease, equipment lease or financing instrument relating to the Franchised Business; you are not in default beyond the applicable cure period with any vendor or supplier to the Franchised Business) and for the previous six (6) months, you have not been in material default beyond the applicable cure period under any agreement with us or our affiliates;

(ii) We have determined that the Franchised Business has been constructed and/or renovated and equipped substantially in accordance with the requirements of this Agreement including the Plans;

(iii) You have obtained, provided copies to us, and maintain all required building, utility, sign, business and other certifications, permits and licenses and certificate of insurance applicable to the Franchised Business;

(iv) You have purchased or leased and installed all specified and required fixtures, equipment, furnishings, including but not limited to interior and exterior signage for the Franchised Business;

(v) You have purchased the required computer and point of sale systems and they are operational;

(vi) You have purchased an opening inventory for the Franchised Business from Designated Suppliers and other authorized and approved products, materials, and supplies from our Approved Suppliers;

(vii) Your Principal Executive has completed our training program ("Initial Training Program"), your Manager has completed either our Initial Training Program or the training program provided by your Principal Executive, and you have hired and trained a staff in accordance with our specifications as stated in the Guide;

(viii) You have paid the Initial Franchise Fee and any other amounts then due to us, including any applicable add-on fees;

(ix) You have signed this Agreement and all other agreements including the electronic funds transfer documents as required by us;

(x) You have obtained a certificate of occupancy and any other required health, safety or fire department certificates; and

(xi) You have obtained and provided to us copies of certificates for all insurance policies required or such other evidence of insurance coverage and payment of premiums as we reasonably may request.

6.9 Relocation. Once the Premises is secured, you may not operate the Franchised Business at any site other than the Premises and may not relocate the Franchised Business without our prior written consent, which may be withheld by us in our sole discretion. If we approve a relocation of the Franchised Business, you must pay a relocation fee in the amount of twenty-five percent (25%) of our then-current initial franchise fee, unless otherwise stipulated by applicable state law. Our acceptance of a location as the Premises does not constitute a guarantee or assurance by us of the Franchised Business's profitability or success.

ARTICLE 7. OPERATIONS

7.1 Compliance with Guide and System Standards. In order to protect our reputation and goodwill and to maintain high standards of operation under the System, you must operate the Franchised Business in strict conformance with the methods, standards, and specifications we prescribe from time to time in the Guide or otherwise in writing. You acknowledge that the System standards may relate to any aspect of the appearance, function, cleanliness, and operation of the Franchised Business. Any material failure to comply with the mandatory System standards or to pass our periodic quality control inspections will constitute a material breach of this Agreement. You acknowledge that we have the right to vary our standards and specifications, in our sole discretion, to accommodate the individual circumstances of different franchisees, and any such variation for another franchisee shall not entitle you to the same variation.

7.2 Compliance with Law.

(i) You must operate the Franchised Business in full compliance with all applicable municipal, county, state and federal laws, rules, regulations and ordinances. You have sole responsibility for compliance despite any information or advice that we may provide.

(ii) You, on behalf of yourself and your owners, agree to comply with and/or to assist us to the fullest extent possible in our efforts to comply with Anti-Terrorism Laws (as defined below). In connection with such compliance, you, on behalf of yourself and your owners, certify, represent, and warrant that none of your respective property or interests are "blocked" under any of the Anti-Terrorism Laws and that neither you nor any of your owners are in violation of any of the Anti-Terrorism Laws. You also agree not

to knowingly hire or do business with (or continue to employ or do business with) any party who is blocked under any of the Anti-Terrorism Laws. The term "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, as supplemented, the USA PATRIOT Act, and all other laws and regulations addressing or in any way relating to terrorist acts and/or acts of war.

7.3 Hours of Operation. You must operate the Franchised Business within the minimum hours and days specified in the Guide, on the franchise portal, and as permitted by applicable laws. The Franchisee must notify the Franchisor at least two days (2) in advance of any changes to hours of operations, so proper customer-facing information may be revised. Any reduction in hours of operation below the minimum hours specified in the Guide or on the franchise portal requires the Franchisor's prior written approval, which the Franchisor may withhold in its sole discretion. You must not use or permit the use of the Premises for any other purpose or activity at any time without our prior written consent.

7.4 Products, Services, and Methods of Sale. Franchisee shall offer all products and services, and only those products and services, from time to time prescribed by Franchisor in the Guide or otherwise in writing. Franchisee shall make sales only to retail customers, and only at the Location or through delivery services as stated herein. Unless otherwise approved or required by Franchisor, Franchisee shall not make sales by any other means, including without limitation by wholesale, by delivery, by mail order or over the internet, or at temporary or satellite locations. Franchisee shall provide all products and perform all services in a high-quality manner that meets or exceeds the customer's reasonable expectations and all applicable System Standards. Franchisee shall implement any guaranties, warranties, or similar commitments regarding products and/or services that Franchisor may require. Franchisee must accept cash, among other methods of payment as may be specified by the Franchisor, as a method of payment.

7.5 Third-Party Delivery Services. Franchisee shall provide delivery, and such delivery activities shall be conducted pursuant to the programs, policies terms, and conditions as Franchisor may establish from time to time. Franchisee shall not, without the prior written approval of Franchisor, engage in any other type of sale of, or offer to sell, or distribution of Products, including, but not limited to: selling, distributing or otherwise providing, any products to third parties at wholesale, or for resale or distribution by any third party; and selling, distributing or otherwise providing any products through catalogs, mail-order, toll-free numbers for delivery, or electronic means (e.g., the Internet). Franchisee must utilize the third-party delivery services (e.g. Uber Eats, DoorDash, etc.) as required by Franchisor and may not contract with any third-party or other delivery service providers

without Franchisor's prior written authorization. Franchisee also agrees to participate in promotional or discount campaigns run by third-party delivery services and required by the Franchisor, subject to the terms and conditions established by the third-party delivery service, which may include minimum and maximum price policies, minimum advertised price policies, and unilateral price policies.

7.6 Prices. Franchisee acknowledges that the System Standards determined by Franchisor may include the minimum, maximum, and/or exact prices that franchisees may charge for products or services sold (except to the extent such authority is limited or prohibited by applicable law). Franchisee also acknowledges that they will be required to honor brand-wide promotional campaigns (as allowed by local law) which will offer discounted product pricing or Free Coffee days.

7.7 Personnel.

(a) Management. The Franchised Business must at all times be under the on-site supervision of the Principal Executive, General Manager or shift lead who has completed Franchisor's training program.

(b) Service. Franchisee shall cause its personnel to render competent and courteous service to all customers and members of the public.

(c) Appearance. Franchisee shall cause its personnel to comply with all dress attire, uniform, personal appearance and hygiene standards set forth in the Guide.

(d) Qualifications. Franchisor may set minimum qualifications for categories of employees employed by Franchisee.

(e) Sole Responsibility. Franchisee is solely responsible for the terms and conditions of employment of all of its personnel, including recruiting, hiring, training, scheduling, supervising, compensation, and termination. Franchisee is solely responsible for all actions of its personnel. Franchisee and Franchisor are not joint employers, and no employee of Franchisee will be an agent or employee of Franchisor. Within seven days of Franchisor's request, Franchisee and each of its employees will sign an acknowledgment form stating that Franchisee alone (and not Franchisor) is the employee's sole employer. Franchisee will use its legal name on all documents with its employees and independent contractors, including, but not limited to, employment applications, timecards, paychecks, and employment and independent contractor agreements, and Franchisee will not use the Marks on any of these documents.

7.8 Post-Opening Training. Franchisor may at any time require that the Principal Executive and/or any other employees complete training programs, in any format and in any location determined by Franchisor. Franchisor may charge a reasonable fee for any training programs. Franchisor may require Franchisee to provide training programs to its employees. If a training program is held at a location which requires travel by the Principal Executive or any other employee, then the Franchisee shall pay all travel, accommodations and other expenses.

7.9 Software. Without limiting the generality of Article 7.1 or Article 8.1, Franchisee shall acquire and use all software and related systems required by Franchisor. Franchisee shall enter into any subscription and support agreements that Franchisor may require. Franchisee shall upgrade, update, or replace any software from time to time as Franchisor may require. Franchisee shall protect the confidentiality and security of all software systems, and Franchisee shall abide by any System Standards related thereto. Franchisee shall give Franchisor unlimited access to Franchisee's point of sale system and other software systems used in the Franchised Business, by any means designated by Franchisor.

7.10 Customer Complaints. You must immediately resolve any customer complaints regarding the quality of products, service and/or cleanliness of the Franchised Business, or any similar complaints. When a customer complaint cannot be immediately resolved, you must use reasonable efforts to resolve the customers complaint as soon as practical and shall, whenever feasible, give the customer the benefit of the doubt. If we, in our sole discretion, determine that our intervention is necessary or desirable to protect the System or the goodwill associated with the System, or if we, in our sole discretion, believe that you have failed adequately to address or resolve any customer complaints, we may, without your consent, resolve any complaints and charge you an amount sufficient to cover our reasonable costs and expenses in resolving the customer complaints, which amount you must pay to us immediately on demand.

7.11 Evaluation and Compliance Programs. Franchisee shall participate at its own expense in programs required from time to time by Franchisor for obtaining customer evaluations, reviewing Franchisee's compliance with the System, and/or managing customer complaints, which may include (but are not limited to) a customer feedback system, customer survey programs, and mystery shopping. Franchisor shall share with Franchisee the results of these programs, as they pertain to the Franchised Business. Franchisee must meet or exceed any minimum score requirements set by Franchisor for such programs.

7.12 Payment Systems. Franchisee shall accept payment from customers in any form or manner designated by Franchisor (which may include, for example, cash, specific credit and/or debit cards, gift cards, electronic fund transfer systems, and mobile payment systems). Franchisee shall purchase or lease all equipment and enter into all business relationships necessary to accept payments as required by Franchisor. Franchisee must at all times comply with payment card industry data security standards (PCI-DSS).

7.13 Gift Cards, Loyalty Programs, and Incentive Programs. At its own expense, Franchisee shall sell or otherwise issue gift cards, certificates, or other pre-paid systems, and participate in any customer loyalty programs, membership/subscription programs, or customer incentive programs, designated by Franchisor, in the manner specified by Franchisor in the Guide or otherwise in writing. Franchisee shall honor all valid gift cards and other pre-paid systems, regardless of whether issued by Franchisee or another Foxtail Coffee Co. business. Franchisee shall comply with all procedures and specifications of Franchisor related to gift cards, certificates, and other pre-paid systems, or related to customer loyalty, membership/subscription, or customer incentive programs.

7.14 Maintenance and Repair. Franchisee shall at all times keep the Franchised Business in a neat and clean condition, perform all appropriate maintenance, and keep all physical property in good repair. In addition, Franchisee shall promptly perform all work on the physical property of the Franchised Business as Franchisor may prescribe from time to time, including but not limited to periodic interior and exterior painting; resurfacing of the parking lot; roof repairs; and replacement of obsolete or worn-out signage, floor coverings, furnishings, equipment, and décor. Franchisee acknowledges that the System Standards includes requirements for cleaning, maintenance, and repair.

7.15 Remodeling. In addition to Franchisee's obligations to comply with all System Standards in effect from time to time, Franchisor may require Franchisee to undertake and complete a Remodel of the Location to Franchisor's satisfaction. Franchisee must complete the Remodel in the time frame specified by Franchisor. Franchisor may require the Franchisee to submit plans for Franchisor's reasonable approval prior to commencing a required Remodel. Franchisor's right to require a Remodel is limited as follows: (i) the Remodel will not be required in the first seven or last two years of the term (except that a Remodel may be required as a condition to renewal of the term or a Transfer), and (ii) a Remodel will not be required more than once every seven years from the date on which Franchisee was required to complete the prior Remodel.

7.16 Meetings. The Principal Executive shall use reasonable efforts to attend all in-person meetings and remote meetings (such as telephone conference calls) that Franchisor requires, including any national or regional brand conventions. Franchisee shall not permit the Principal Executive to fail to attend more than three consecutive required meetings.

7.17 Insurance.

(a) Franchisee shall obtain and maintain insurance policies in the types and amounts as specified by Franchisor in the Guide. If not specified in the Guide, Franchisee shall maintain at least the following insurance coverage:

(i) "Special" causes of loss coverage forms, including fire and extended coverage, crime, vandalism, and malicious mischief, on all property of the Franchised Business, for full repair and replacement value (subject to a reasonable deductible);

(ii) Business interruption insurance covering at least 12 months of income;

(iii) Commercial General Liability insurance, including products liability coverage, and broad form commercial liability coverage, written on an "occurrence" policy form in an amount of not less than $1,000,000 single limit per occurrence and $2,000,000 aggregate limit;

(iv) if applicable, Business Automobile Liability insurance including owned, leased, non-owned and hired automobiles coverage in an amount of not less than $1,000,000; and

(v) Workers Compensation coverage as required by state law.

(b) All policies must be written by insurance companies with an industry rating acceptable to us; must name us, our affiliates, and their respective officers, directors, shareholders, consultants, agents, attorneys, and employees as additional insureds as specified by us; and must not have deductibles, exclusions or co-insurance requirements that are unacceptable to us. You must provide us with evidence of all required insurance coverage and payment of premiums before beginning construction of the Franchised Business. Construction may not begin unless proof of insurance has been provided to Franchisor. At least thirty (30) days before each insurance policy expires, you must furnish to Franchisor a copy of the renewal or replacement insurance policy and evidence of

payment of the premium. The policy must state that we will be notified by the insurance company if the policy is terminated, canceled, or expires. Your obligation to obtain insurance coverage is not limited in any way by the insurance that we maintain.

(c) We have the right to increase the amounts of coverage required and require different or additional kinds of insurance with thirty (30) days' prior written notice, including excess liability insurance, to reflect inflation, new risks, changes in the law or standards of liability, higher damage awards or other relevant changes in circumstances. All public liability and property damage policies must contain a waiver by the insurance company of subrogation rights against us and our affiliates, successors, and assigns. If you fail to maintain the insurance required by this Agreement, we have the right (but no obligation) to obtain insurance on your behalf. If we do so, you agree to reimburse us for the cost of insurance, plus all out-of-pocket expenses that we incurred in obtaining such insurance on your behalf.

7.18 Suppliers and Landlord. Franchisee shall pay all vendors and suppliers in a timely manner. If Franchisee leases the Location, Franchisee shall comply with its lease for the Location.

7.19 Public Relations. Franchisee shall not make any public statements (including giving interviews or issuing press releases) regarding Foxtail Coffee Co., the Franchised Business, or any particular incident or occurrence related to the Franchised Business, without Franchisor's prior written approval, which will not be unreasonably withheld.

7.20 Association with Causes. Franchisee shall not in the name of the Franchised Business (i) donate money, products, or services to any charitable, political, religious, or other organization, or (ii) act in support of any such organization, without Franchisor's prior written approval.

7.21 No Other Activity at the Franchised Business. Franchisee shall not engage in any business or other activity at the Location other than operation of the Foxtail Coffee Co. Business. Franchisee shall not use assets of the Franchised Business for any purpose other than the Franchised Business. If Franchisee is an entity, the entity shall not own or operate any other business except Foxtail Coffee Co. businesses.

7.22 No Third-Party Management. Franchisee shall not engage a third-party management company to manage or operate the Franchised Business without the prior written approval of Franchisor, which will not be unreasonably withheld. If approved, Third-Party Management must attend Franchisor's Ownership Training Program prior to

beginning management operations at the then current rate and will be responsible for travel related expenses.

7.23 Identification. Franchisee must identify itself as the independent owner of the Franchised Business in the manner prescribed by Franchisor, upon Franchisor's request. Franchisee may be required to display at the Franchised Business signage prescribed by Franchisor identifying the Location as an independently owned franchise.

7.24 Business Practices. Franchisee, in all interactions with customers, employees, vendors, governmental authorities, and other third parties, shall be honest and fair. Franchisee shall comply with any code of ethics or statement of values from Franchisor. Franchisee shall not take any action which may injure the goodwill associated with the Marks.

7.25 Annual Compliance Package. By April 1 of each year during the term of this Agreement, Franchisee shall upload to Franchisor's designated portal a complete annual compliance package. The annual compliance package shall include, but shall not be limited to, the following: (a) copies of all active permits and licenses in PDF format; (b) renewal confirmations and expiration dates for all permits and licenses; (c) the most recent health inspection and fire inspection reports; (d) current certificates of insurance evidencing the coverage required under Article 7.17; and (e) copies of any notices of violation received during the prior year, together with proof of cure for each such violation. Failure to timely upload the annual compliance package shall constitute a default under this Agreement and shall subject Franchisee to a non-compliance fee as set forth in Article 4.7.

ARTICLE 8. SUPPLIERS AND VENDORS

8.1 Generally. Franchisee shall acquire all Inputs necessary to establish and operate the Franchised Business as required by Franchisor from time to time, in accordance with System Standards. Franchisor may require Franchisee to purchase or lease any Inputs exclusively from: (a) Franchisor or Franchisor's designee; (b) Required Vendors; (c) Approved Vendors; or (d) any supplier meeting Franchisor's then-current specifications. Franchisor may at any time change its sourcing requirements or change the approved or required status of any vendor. Any such change will become effective upon Franchisor's issuance of updated System Standards, which Franchisor will communicate to Franchisee via the Franchise portal, email, or other electronic communication.

8.2 Alternate Vendor or Input Approval.

(a) Approval Request. If you propose to use any Input that we have not previously approved, or purchase any products or services from a vendor not previously approved by us, you must submit a written request to us for approval before doing so.

(b) Inspection and Testing. We have the right to inspect the proposed vendor's facilities and to test samples of the proposed Input(s) as part of our evaluation.

(c) Review Fee. Regardless of whether the Input or vendor is approved, you agree to pay us a review fee of six hundred dollars ($600), plus our reasonable costs associated with testing the products or services or evaluating the proposed vendor, including personnel and travel costs.

(d) Response Timeline. We will notify you in writing within thirty (30) days after our receipt of your written request as to whether we have approved the Input or vendor.

(e) Our Discretion. We have the right to grant, deny, or revoke approval of any Input and/or vendor based solely on our judgment. We may condition our approval of a vendor on requirements relating to frequency of delivery, reporting capabilities, standards of service (including prompt attention to complaints), insurance requirements, or other criteria. Any approval may be temporary, pending a further evaluation of the vendor by us.

(f) Revocation Upon System Incorporation. If we authorize you to use or sell a new Input at the Franchised Business and we later incorporate a substantially similar Input into our system-wide offering, we may, upon thirty (30) days' prior written notice to you, revoke our authorization for you to purchase that Input from the alternate vendor. Upon revocation, you must purchase the applicable product directly from us or our approved vendor.

8.3 Rebates. We may negotiate purchasing arrangements under which suppliers agree to make services, products, equipment, materials and other goods and services available to Foxtail Coffee Co. businesses. Subject to applicable law, we may earn money from the suppliers based on your purchases in the form of rebates, commissions, or other payments. You acknowledge that these payments compensate us for the cost of negotiating and maintaining the purchasing arrangements with the suppliers and that, subject to applicable laws, we have no obligation to remit the funds to you.

8.4 Purchasing Cooperatives. Franchisor may establish a purchasing cooperative and require Franchisee to join and participate in the purchasing cooperative on such terms and conditions as Franchisor may determine.

8.5 Shortages and Unavailability. Franchisor shall not have liability to Franchisee for unavailability of, or delay in shipment or receipt of, any products or supplies from any vendor (including Franchisor or its affiliates) resulting from shortages, order backlogs, production difficulties, delays, unavailability of transportation, fire, strikes, work stoppages, or other causes beyond the control of Franchisor.

8.6 Product Recalls. If Franchisor or any vendor, supplier, or manufacturer of an item used or sold in Franchisee's Business issues a recall of such item or otherwise notifies Franchisee that such item is defective or dangerous, Franchisee shall immediately cease using or selling such item, and Franchisee shall at its own expense comply with all instructions from Franchisor or the vendor, supplier, or manufacturer of such item with respect to such item, including without limitation the recall, repair, and/or replacement of such item.

ARTICLE 9. MARKETING

9.1 Approval and Implementation. Franchisee shall not conduct any marketing, advertising, or public relations activities (including in-store marketing materials, websites, online advertising, and sponsorships) that have not been approved by Franchisor. To obtain Franchisor's approval, Franchisee must submit any proposed advertising or marketing material at least 14 days prior to use. If Franchisor does not respond within 14 days, the material is deemed rejected. Franchisor may (but is not obligated to) operate all "social media" accounts on behalf of the System, or it may permit franchisees to operate one or more accounts. Franchisee must comply with any System Standards regarding marketing, advertising, and public relations, including any social media policy that Franchisor may prescribe. Franchisee may, upon approval, operate and maintain "social media" accounts for their respective unit. Franchisee may use the Franchisor provided social media assets without obtaining pre-approvals for posts, reels, etc. so long as they are not used for a political or religious purpose Franchisee must remove or take down any social media post, reel, etc. that Franchisor deems inappropriate or not in compliance with brand standards. Any social media posts, reels, etc. from the Franchised Business should always promote the brand and not be deemed controversial in nature. Franchisee shall implement any marketing plans or campaigns determined by Franchisor.

9.2 Use by Franchisor. We have the right to direct all advertising, media placement, marketing and public relations programs and activities financed by the Marketing Fund, with final discretion over the strategic direction, creative concepts, materials, and endorsements used and the geographic market and media placement and allocation. Franchisor may use any marketing materials or campaigns developed by or on behalf of Franchisee, and Franchisee hereby grants an unlimited, perpetual, royalty-free license to Franchisor for such purpose.

9.3 Marketing Fund. Franchisor has established a Marketing Fund to promote the System on a local, regional, national, and/or international level. Franchisor shall operate the Marketing Fund as follows:

(a) Separate Account. Franchisor shall hold the Marketing Fund Contributions from all franchisees in one or more bank accounts separate from Franchisor's other accounts.

(b) Use. Among the programs, concepts, and expenditures for which we may utilize the Marketing Fund monies are: (1) creative development and production of print ads, commercials, radio spots, point of purchase materials, direct mail pieces, door hangers, free standing inserts, brochures, logo wear, labeling, video, audio, and written materials and electronic media, and other advertising and promotional materials; (2) media placement and buying, including all associated expenses and fees; (3) administering regional and multi-regional marketing and advertising programs; (4) market research and customer satisfaction surveys, including the use of secret shoppers; (5) the creative development of, and actual production associated with, premium items, giveaways, promotions, sweepstakes, contests, public relation events, and charitable or nonprofit events; (6) creative development of signage, posters, and individual Foxtail Coffee Co. business décor items including wall graphics; (7) recognition and awards events and programs including periodic national and regional conventions and meetings; (8) design, establishment, and maintenance of websites, extranets, intranets, search rankings, social media profiles, mobile application and other digital marketing; (9) retention and payment of personalities engaged as spokespersons, advertising and promotional agencies, endorsement contracts, and other outside advisors including retainer and management fees; (10) sponsorship of sporting, charitable, or similar events; (11) review of locally produced marketing materials; (12) list acquisition and development; (13) association dues; (14) affinity program development; (15) development of third party facilities for the development of local advertising; and (16) public relations and community involvement activities and programs. We may sell certain advertising materials, merchandise, and premium items to you that are

developed by the Marketing Fund, and the earnings from such sales will be deposited in the Marketing Fund. The Marketing Fund also may be used to pay reasonable salaries and expenses of our and our affiliates' employees who work on advertising, marketing, public relations materials, programs, activities or promotions prepared, planned or undertaken on behalf of the Marketing Fund and professional fees and administrative costs and overhead that we or our affiliates incur in activities reasonably related to the administration and activities of the Marketing Fund (including accounting fees, legal fees, and interest on monies borrowed by the Marketing Fund). We will not use the Marketing Fund for anything whose sole purpose is the marketing of franchises, however, the System website, public relations activities, community involvement activities and other activities supported by the Marketing Fund may contain information about franchising opportunities. We may seek the advice of Foxtail Coffee Co. franchisees by formal or informal means with respect to the creative concepts and media used for programs financed by the Marketing Fund.

(c) Franchisee's Benefit. You acknowledge that the Marketing Fund and any earnings thereon will be used to maximize general public recognition, acceptance, and patronage of Foxtail Coffee Co. businesses, and that we are not obligated, in administering the Marketing Fund, to make expenditures for you which are equivalent or proportional to your contribution, or to ensure that any particular franchisee benefits directly or pro rata from expenditures by the Marketing Fund. Your failure to derive any such benefit will not serve as a basis for a reduction or elimination of your obligation to contribute to the Marketing Fund. The failure (whether with or without our permission) of any other franchisee to make the appropriate amount of contributions to the Marketing Fund will not release you from or reduce your obligation.

(d) Discretion. Franchisee agrees that expenditures from the Marketing Fund need not be proportionate to contributions made by Franchisee or provide any direct or indirect benefit to Franchisee. The Marketing Fund will be spent at Franchisor's sole discretion, and Franchisor has no fiduciary duty with regard to the Marketing Fund.

(e) Contribution by Other Outlets. Franchisor is not obligated to (i) have all other Foxtail Coffee Co. businesses (whether owned by other franchisees or by Franchisor or its affiliates) contribute to the Marketing Fund, or (ii) have other Foxtail Coffee Co. businesses that do contribute to the Marketing Fund contribute the same amount or at the same rate as Franchisee.

(f) Surplus or Deficit. Franchisor may accumulate funds in the Marketing Fund and carry the balance over to subsequent years. If the Marketing Fund operates at a

deficit or requires additional funds at any time, Franchisor may loan such funds to the Marketing Fund on reasonable terms.

(g) Financial Statement. Franchisor will prepare an unaudited annual financial statement of the Marketing Fund within one hundred twenty (120) days of the close of Franchisor's fiscal year and will provide the financial statement to Franchisee upon request.

(h) Cancellation of Brand Marketing Fund. If established, we have the right to change or dissolve the Brand Marketing Fund at any time. If we disband the Brand Marketing Fund, we will spend all monies in the fund for advertising and/or promotional purposes or distribute all unspent monies to contributors in proportion to their respective Brand Marketing Fund Contributions during the preceding twelve (12) month period.

9.4 Marketing Cooperatives. Franchisor may establish market advertising and promotional cooperative funds ("Market Cooperative") in any geographical area. If a Market Cooperative for the geographic area encompassing the Location has been established at the time Franchisee commences operations hereunder, Franchisee shall immediately become a member of such Market Cooperative. If a Market Cooperative for the geographic area encompassing the Location is established during the term of this Agreement, Franchisee shall become a member of such Market Cooperative within 30 days. Franchisor shall not require Franchisee to be a member of more than one Market Cooperative. If Franchisor establishes a Market Cooperative:

(a) Governance. Each Market Cooperative will be organized and governed in a form and manner, and shall commence operations on a date, determined by Franchisor. Franchisor may require the Market Cooperative to adopt bylaws or regulations prepared by Franchisor. Unless otherwise specified by Franchisor, the activities carried on by each Market Cooperative shall be decided by a majority vote of its members. Franchisor will be entitled to attend and participate in any meeting of a Market Cooperative. Any Foxtail Coffee Co. business owned by Franchisor in the Market Cooperative shall have the same voting rights as those owned by its franchisees. Each Business owner will be entitled to cast one vote for each Business owned, provided, however, that a franchisee shall not be entitled to vote if it is in default under its franchise agreement. If the members of a Market Cooperative are unable or fail to determine the manner in which Market Cooperative monies will be spent, Franchisor may assume this decision-making authority after providing a 10-day written notice to the members of the Market Cooperative.

(b) Purpose. Each Market Cooperative shall be devoted exclusively to administering regional advertising and marketing programs and developing (subject to Franchisor's approval) standardized promotional materials for use by the members in local advertising and promotion.

(c) Approval. No advertising or promotional plans or materials may be used by a Market Cooperative or furnished to its members without the prior approval of Franchisor pursuant to Article 9.1. Franchisor reserves the right to designate the national or regional advertising agencies to be used by the Market Cooperative.

(d) Funding. The majority vote of the Market Cooperative will determine the dues to be paid by members of the Market Cooperative, including Franchisee, but not less than 1% and not more than 3% of Gross Sales.

(e) Enforcement. Only Franchisor will have the right to enforce the obligations of franchisees who are members of a Market Cooperative to contribute to the Market Cooperative.

(f) Termination. Franchisor reserves the right to terminate any Market Cooperative. Upon termination, any remaining funds in a Market Cooperative will be transferred to the Marketing Fund.

9.5 Recommended Spending. It is recommended that Franchisee spend at least one percent (1%) to two percent (2%) of Gross Sales each month on marketing the Franchised Business. Upon request of Franchisor, Franchisee shall furnish proof of its compliance with this Article. Franchisor has the sole discretion to determine what activities constitute "marketing" under this Article. Franchisor may, in its discretion, determine that if Franchisee contributes to a Market Cooperative, the amount of the contribution will be counted towards Franchisee's recommended spending under this Article.

9.6 Market Introduction Plan. Franchisee must develop a market introduction plan and obtain Franchisor's approval of the market introduction plan at least sixty (60) days before the projected opening date of the Franchised Business.

9.7 Internet Marketing. We will host and maintain an independent webpage for the Franchised Business at an Internet address that we specify. We will provide and maintain this webpage using a standard template. Unless we have agreed to it in writing, you may not use, register, maintain, or sponsor any URL, social networking platform, blog, messaging system, email account, username, text address, mobile application, or other electronic, mobile or internet presence that uses or displays any of the Proprietary Marks

(or any derivative thereof) or that promotes any products or services of the Franchised Business. You acknowledge that the use of any electronic medium constitutes advertising and promotion subject to our approval under Section 9.1 and 9.6. You agree not to transmit, or cause any other party to transmit, advertisements or solicitations by broadcast media, telephone, e-mail, text message, instant message, social network, VOIP, streaming media, or other electronic media that currently exists or may exist in the future without first obtaining our written consent as to: (1) the content of the advertisements or solicitations; and (2) the type of media intended to be used. All telephone answering messages, email auto-signatures, and other identifiers of the Franchised Business must be in the form we prescribe. If we approve the use of an electronic medium, our approval will be conditioned on your compliance with any standards and procedures we issue with respect to that type of electronic medium, including the use of any disclaimers, warnings, and other statements that we may prescribe. We will provide you with Facebook/Facebook Ads Manager, Instagram and Google pages created, owned, and audited by us. You shall comply with our standards for the System, as set forth in the Guide or otherwise, with regard to our authorization to use, and the use of, blogs, common social networks (including Facebook, Instagram and Pinterest), professional networks (including LinkedIn), live blogging tools (including X), virtual worlds, file, audio and video sharing sites and other similar social networking media (in or not in existence at the time of this agreement) or tools that in any way reference the Proprietary Marks or involve the System or the Franchised Business.

9.8 Special Events. Franchisee may conduct or host special events and/or fundraisers at the Franchised Business so long as they are not political or religious in nature. Any special events held at the Franchised Business should always promote the brand and not be deemed controversial in nature.

ARTICLE 10. RECORDS AND REPORTS

10.1 Systems. Franchisee shall use such customer data management, sales data management, administrative, bookkeeping, accounting, and inventory control procedures and systems as Franchisor may specify in the Guide or otherwise in writing.

10.2 Reports.

(a) Financial Reports. Franchisee shall provide such periodic financial reports as Franchisor may require in the Guide or otherwise in writing, including:

(i) a monthly profit and loss statement and balance sheet for the Franchised Business within thirty (30) days after the end of each calendar month;

(ii) an annual financial statement (including profit and loss statement, cash flow statement, and balance sheet) for the Franchised Business within ninety (90) days after the end of Franchisor's fiscal year; and

(iii) any information Franchisor requests in order to prepare a financial performance representation for Franchisor's franchise disclosure document.

(b) Legal Actions and Investigations. Franchisee shall promptly notify Franchisor of any Action or threatened Action by any customer, governmental authority, or other third party against Franchisee or the Franchised Business, or otherwise involving the Franchisee or the Franchised Business. Franchisee shall provide such documents and information related to any such Action as Franchisor may request.

(c) Government Inspections. Franchisee shall provide Franchisor with copies of all inspection reports, warnings, certificates, and ratings issued by any governmental entity with respect to the Franchised Business, within three business days of Franchisee's receipt thereof.

(d) Other Information. Franchisee shall submit to Franchisor such other financial statements, budgets, forecasts, reports, records, copies of contracts, documents related to litigation, tax returns, copies of governmental permits, certificate of insurance, and other documents and information related to the Franchised Business as specified in the Guide or that Franchisor may reasonably request.

10.3 Initial Investment Report. Within one hundred twenty (120) days after opening for business, Franchisee shall submit to Franchisor a report detailing Franchisee's investment costs to develop and open the Franchised Business, with costs allocated to the categories described in Item 7 of Franchisor's Franchise Disclosure Document and with such other information as Franchisor may request.

10.4 Business Records. You must prepare, and must preserve for at least seven (7) years from the dates of their preparation, complete and accurate books, records, and accounts, in accordance with generally accepted accounting principles, which may include a prescribed chart of accounts and/or use of a designated accounting program or platform. You must record all sales, sales tax, and any other charges collected on

behalf of third parties in accordance with the procedures prescribed in the Guide on the point-of-sale system that we specify.

10.5 Records Audit. Franchisor may examine and audit all books and records related to the Franchised Business, and supporting documentation, at any reasonable time. Franchisor may conduct the audit at the Location and/or require Franchisee to deliver copies of books, records and supporting documentation to a location designated by Franchisor. Franchisee shall also reimburse Franchisor for all costs and expenses of the examination or audit if (i) Franchisor conducted the audit because Franchisee failed to submit required reports or was otherwise not in compliance with the System, or (ii) the audit reveals that Franchisee understated Gross Sales by three percent (3%) or more for any four (4) week period.

10.6 Remote Access To Point of Sale System. Franchisee shall provide Franchisor with unrestricted access to Franchisee's point of sale system and other software systems related to the operation of the Franchised Business, by any means designated by Franchisor.

ARTICLE 11. FRANCHISOR RIGHTS

11.1 Guide; Modification. The Guide, and any part of the Guide, may be in any form or media determined by Franchisor. Franchisor may supplement, revise, or modify the Guide, and Franchisor may change, add or delete System Standards at any time in its discretion. Franchisor may inform Franchisee thereof by any method that Franchisor deems appropriate (which need not qualify as "notice" under Article 18.10). In the event of any dispute as to the contents of the Guide, Franchisor's master copy will control.

11.2 Inspections. Franchisor may enter the premises of the Franchised Business from time to time during normal business hours and conduct an inspection. Franchisee shall cooperate with Franchisor's inspectors. The inspection may include, but is not limited to, observing operations, conducting a physical inventory, evaluating physical conditions, monitoring sales activity, speaking with employees and customers, and removing samples of products, supplies and materials. Franchisor may videotape and/or take photographs of the inspection and the Franchised Business. Franchisor may set a minimum score requirement for inspections, and Franchisee's failure to meet or exceed the minimum score will be a default under this Agreement. Without limiting Franchisor's other rights under this Agreement, Franchisee will, as soon as reasonably practical, correct any deficiencies noted during an inspection. If Franchisor conducts an inspection because of a governmental report, customer complaint or other customer feedback, or a default or non-compliance with any System Standard by Franchisee (including following

up a previous failed inspection), then Franchisor may charge all out-of-pocket expenses plus its then-current inspection fee to Franchisee.

11.3 Franchisor's Right to Cure. If Franchisee breaches or defaults under any provision of this Agreement, Franchisor may (but has no obligation to) take any action to cure the default on behalf of Franchisee, without any liability to Franchisee. Franchisee shall reimburse Franchisor for its costs and expenses (including the allocation of any internal costs) for such action, plus 10% as an administrative fee.

11.4 Right to Discontinue Supplies Upon Default. While Franchisee is in default or breach of this Agreement, Franchisor may (i) require that Franchisee pay cash on delivery for products or services supplied by Franchisor, (ii) stop selling or providing any products and services to Franchisee, and/or (iii) request any third-party vendors to not sell or provide products or services to Franchisee. No such action by Franchisor shall be a breach or constructive termination of this Agreement, change in competitive circumstances or similarly characterized, and Franchisee shall not be relieved of any obligations under this Agreement because of any such action. Such rights of Franchisor are in addition to any other right or remedy available to Franchisor.

11.5 Business Data. All customer data and other non-public data generated by the Franchised Business is Confidential Information and is exclusively owned by Franchisor. Franchisor hereby licenses such data back to Franchisee without charge solely for Franchisee's use in connection with the Franchised Business for the term of this Agreement.

11.6 Innovations. Franchisee shall disclose to Franchisor all ideas, plans, improvements, concepts, methods, and techniques relating to the Franchised Business (collectively, "Innovations") conceived or developed by Franchisee, its employees, agents or contractors. Franchisor will automatically own all Innovations, and it will have the exclusive right to use and incorporate any Innovations into the System, without any compensation to Franchisee. Franchisee shall execute any documents reasonably requested by Franchisor to document Franchisor's ownership of Innovations.

11.7 Communication Systems. If Franchisor provides email accounts and/or other communication systems to Franchisee, then Franchisee acknowledges that it has no expectation of privacy in the assigned email accounts and other communications systems, and Franchisee authorizes Franchisor to access such communications.

11.8 Delegation. Franchisor may delegate any duty or obligation of Franchisor under this Agreement to an affiliate or to a third party.

11.9 System Variations. Franchisor may vary or waive any System Standard for any one or more Foxtail Coffee Co. franchises due to the peculiarities of the particular site or circumstances, density of population, business potential, population of trade area, existing business practices, applicable laws or regulations, or any other condition relevant to the performance of a franchise or group of franchises. Franchisee is not entitled to the same variation or waiver.

11.10 Temporary Public Safety Closure. If Franchisor discovers or becomes aware of any aspect of the Franchised Business which, in Franchisor's opinion, constitutes an imminent danger to the health or safety of any person, then immediately upon Franchisor's order, Franchisee must temporarily cease operations of the Franchised Business and remedy the dangerous condition. Franchisor shall have no liability to Franchisee or any other person for action or failure to act with respect to a dangerous condition.

ARTICLE 12. MARKS

12.1 Ownership and Goodwill of Marks. You acknowledge that the Marks are owned by us or our affiliate, and that any references to our right, title or interest in the Marks in this Article 12 shall include the owner's right, title, or interest. You agree that your right to use the Marks is derived only from this Agreement and is limited to your operating the Franchised Business according to this Agreement and all System Standards we prescribe during its term. Your unauthorized use of the Marks is a breach of this Agreement and infringes our rights in the Marks. You acknowledge and agree that your use of the Marks and any goodwill established by that use are for our exclusive benefit and that this Agreement does not confer any goodwill or other interests in the Marks upon you (other than the right to operate the Franchised Business under this Agreement). All provisions of this Agreement relating to the Marks apply to any additional and substitute trademarks and service marks we authorize you to use.

12.2 Limitations on Your Use of the Marks. You agree to use the Marks as the sole trade identification of the Franchised Business, provided that you shall identify yourself as the independent owner of the Franchised Business in a manner acceptable to us. You may not use any Mark or any variation thereof (1) as part of any corporate or legal business name, (2) with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos we have licensed to you), (3) in selling any unauthorized services or products, (4) as part of any domain name, electronic address or search engine you maintain on any website; (5) in any other manner we have not expressly authorized in writing; or (6) that may damage or cause harm to us, our affiliates, the Marks, the System or our principals. You may not make any disparaging remarks related to us, our affiliates,

our franchisees, the Marks, the System or our principals. You may not use any Mark, reference the System, or identify the business as a Foxtail Coffee Co. franchise in advertising the transfer, sale, or other disposition of the Operating Assets or the Franchised Business without our prior written consent, which consent shall be governed by Section 15.2(xi). You agree to display the Marks prominently as we prescribe at the Franchised Business and on forms, advertising, and other materials we designate. You agree to give the notices of trademark and service mark registrations that we specify and to obtain any fictitious or assumed name registrations required under applicable law.

12.3 Discontinuance of Use of the Marks. If we believe at any time that it is advisable for us and/or you to modify or discontinue using any Mark and/or use one or more additional or substitute trademarks or service marks, you agree to comply with our directions within a reasonable time after receiving notice. We need not reimburse you for your expenses in complying with these directions (such as costs you incur in changing the Franchised Business's signs or replacing supplies), for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute trademark or service mark.

12.4 Infringement.

(a) Defense of Franchisee. You will promptly notify us of any suspected unauthorized use of, or any challenge to the validity or use of, or your right to use, the Marks we license to you. You acknowledge we will have the sole right to direct and control any administrative proceeding or litigation involving the Marks, including any settlement thereof. We will have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Marks. We will defend you against any third-party claim, suit, or demand arising out of your use of the Marks under this Franchise Agreement. If we, in our sole discretion, determine you have used the Marks as authorized under this Franchise Agreement, we will pay for such defense, including the cost of any judgment or settlement. If we, in our sole discretion, determine you have not used the Marks as authorized under this Franchise Agreement, you will pay for such defense, including the cost of such litigation, including without limitation, our attorney's fees and the cost of any judgment or settlement. If any litigation occurs relating to your use of the Marks, you will execute any and all documents and do such acts as may, in our opinion, be necessary to carry out such defense or prosecution including, but not limited to, becoming a nominal party to any legal action. Except if such litigation results from your use of the Marks in a manner inconsistent with this Franchise Agreement, we agree to reimburse you for your out-of-pocket litigation costs in cooperating with us with respect to the litigation, excluding the compensation costs of your employees.

(b) Infringement by Third Party. You agree to notify us immediately of any apparent infringement of or challenge to your use of any Mark, or of any person's claim of any rights in any Mark, and not to communicate with any person other than us and our attorneys, and your attorneys, regarding any infringement, challenge, or claim. We may take the action we deem appropriate (including no action) and may control exclusively any settlement, litigation, U.S. Patent and Trademark Office proceeding or other administrative proceeding arising from any infringement, challenge or claim or otherwise concerning any Mark. You agree to sign any documents and take any actions that, in the opinion of our attorneys, are necessary or advisable to protect and maintain our interests in any litigation or Patent and Trademark Office or other proceeding or otherwise to protect and maintain our interests in the Marks.

(c) Control. Franchisor shall have the exclusive right to control any prosecution or defense of any Action related to possible infringement of or by the Marks.

ARTICLE 13. COVENANTS

13.1 Confidential Information. With respect to all Confidential Information, Franchisee shall (a) adhere to all procedures prescribed by Franchisor for maintaining confidentiality, (b) disclose such information to its employees only to the extent necessary for the operation of the Franchised Business; (c) not use any such information in any other business or in any manner not specifically authorized in writing by Franchisor, (d) exercise the highest degree of diligence and effort to maintain the confidentiality of all such information during and after the term of this Agreement, (e) not copy or otherwise reproduce any Confidential Information, and (f) promptly report any unauthorized disclosure or use of Confidential Information. Franchisee acknowledges that all Confidential Information is owned by Franchisor (except for Confidential Information which Franchisor licenses from another person or entity). This Article will survive the termination or expiration of this Agreement indefinitely.

13.2 Covenants Not to Compete.

(a) Restriction – In Term. During the term of this Agreement, neither Franchisee, any Owner, nor any spouse of an Owner (the "Restricted Parties") shall directly or indirectly have any ownership interest in, or be engaged or employed by, any Competitor.

(b) Restriction – Post Term. For two (2) years after this Agreement expires or is terminated for any reason (or, if applicable, for two years after a Transfer), no Restricted Party shall directly or indirectly have any ownership interest in, or be engaged or

employed by, any Competitor within five (5) miles of Franchisee's Territory or the territory of any other Foxtail Coffee Co. business operating on the date of termination or transfer, as applicable.

(c) Interpretation. The parties agree that each of the foregoing covenants is independent of any other covenant or provision of this Agreement. If all or any portion of the covenants in this Article is held to be unenforceable or unreasonable by any arbitrator or court, then the parties intend that the arbitrator or court modify such restriction to the extent reasonably necessary to protect the legitimate business interests of Franchisor. Franchisee agrees that the existence of any claim it may have against Franchisor shall not constitute a defense to the enforcement by Franchisor of the covenants of this Article. If a Restricted Party fails to comply with the obligations under this Article during the restrictive period, then the restrictive period will be extended for each day of noncompliance.

13.3 Employee Recruitment. During the term of this Agreement and for one (1) year after termination, transfer, or expiration of this Agreement, Franchisee shall not knowingly employ or seek to employ or engage as an independent contractor any person then employed by Franchisor or by any other Foxtail Coffee Co. business.

13.4 General Manager and Key Employees. If requested by Franchisor, Franchisee will cause its general manager and other key employees to sign Franchisor's then-current form of confidentiality and non-compete agreement (unless prohibited by applicable law).

ARTICLE 14. DEFAULT AND TERMINATION

14.1 Termination by Franchisee. Franchisee may terminate this Agreement only if Franchisor violates a material provision of this Agreement and fails to cure or to make substantial progress toward curing the violation within thirty (30) days after receiving written notice from Franchisee specifically identifying the nature and details of the alleged default in reasonable detail. If Franchisor has commenced cure within such thirty (30) day period and is diligently pursuing cure, the cure period shall be extended for such additional time as is reasonably necessary to complete the cure, not to exceed an additional ninety (90) days. Termination by Franchisee is effective ten (10) days after Franchisor receives written notice of termination, and only if the default remains uncured at the end of the notice period.

14.2 Termination by Franchisor.

(a) Subject to 10-Day Cure Period. Franchisor may terminate this Agreement if Franchisee does not make any payment to Franchisor when due, or if Franchisee does not have sufficient funds in its account when Franchisor attempts an electronic funds withdrawal, and Franchisee fails to cure such non-payment within ten (10) days after Franchisor gives notice to Franchisee of such breach.

(b) Subject to 30-Day Cure Period. If Franchisee breaches this Agreement in any manner not described in subsection (a) or (c), and Franchisee fails to cure such breach to Franchisor's satisfaction within thirty (30) days after Franchisor gives notice to Franchisee of such breach, then Franchisor may terminate this Agreement.

(c) Without Cure Period. Franchisor may terminate this Agreement by giving notice to Franchisee, without opportunity to cure, if any of the following occur:

(i) Franchisee misrepresented or omitted material facts when applying to be a franchisee, or breaches any representation in this Agreement;

(ii) Franchisee intentionally submits any false report or intentionally provides any other false information to Franchisor;

(iii) a receiver or trustee for the Franchised Business or all or substantially all of Franchisee's property is appointed by any court, or Franchisee makes a general assignment for the benefit of Franchisee's creditors or Franchisee makes a written statement to the effect that Franchisee is unable to pay its debts as they become due, or a levy or execution is made against the Franchised Business, or an attachment or lien remains on the Franchised Business for thirty (30) days unless the attachment or lien is being duly contested in good faith by Franchisee, or a petition in bankruptcy is filed by Franchisee, or such a petition is filed against or consented to by Franchisee and the petition is not dismissed within forty five (45) days, or Franchisee is adjudicated as bankrupt;

(iv) Franchisee fails to open for business by the date specified on the Summary Page and/or according to Article 6.7. of this Agreement;

(v) Franchisee loses possession of the Location;

(vi) Franchisee or any Owner commits a material violation of Article 7.2 (compliance with laws) or Article 13.1 (confidentiality), violates Article 13.2

(non-compete) or Article 15 (transfer), or commits any other violation of this Agreement which by its nature cannot be cured;

(vii) Franchisee abandons or ceases operation of the Franchised Business for more than five consecutive days without notification and approval by Franchisor;

(viii) Franchisee or any Owner slanders or libels Franchisor or any of its employees, directors, or officers;

(ix) Franchisee refuses to cooperate with or permit any audit or inspection by Franchisor or its agents or contractors, or otherwise fails to comply with Article 10.5 or Article 11.2;

(x) the Franchised Business is operated in a manner which, in Franchisor's reasonable judgment, constitutes a significant danger to the health or safety of any person, and Franchisee fails to cure such danger within forty-eight (48) hours after becoming aware of the danger (due to notice from Franchisor or otherwise);

(xi) Franchisee has received two or more notices of default and Franchisee commits another breach of this Agreement, all in the same twelve (12) month period;

(xii) Franchisor (or any affiliate) terminates any other agreement with Franchisee (or any affiliate) due to the breach of such other agreement by Franchisee (or its affiliate) (provided that termination of a Multi-Unit Development Agreement with Franchisee or its affiliate shall not give Franchisor the right to terminate this Agreement); or

(xiii) Franchisee or any Owner is convicted of a felony, or is formally accused by any governmental authority of any act that in Franchisor's reasonable judgement is likely to materially and unfavorably affect the Foxtail Coffee Co. brand.

14.3 Effect of Termination. Upon termination or expiration of this Agreement, all obligations that by their terms or by reasonable implication survive termination, including those pertaining to non-competition, confidentiality, and indemnity, will remain in effect, and Franchisee must immediately:

(i) pay all amounts owed to Franchisor based on the operation of the Franchised Business through the effective date of termination or expiration;

(ii) permit our access to, and examination of, your books and records to determine any amounts due;

(iii) return to Franchisor all copies of the Guide, Confidential Information and any and all other materials provided by Franchisor to Franchisee or created by a third party for Franchisee relating to the operation of the Franchised Business, and all items containing any Marks, copyrights, and other proprietary items;

(iv) take such action as may be necessary to cancel any assumed name registration or equivalent registration, and any e-mail address or domain name registration, obtained by you which contains "Foxtail Coffee Co." or any other Marks, and furnish evidence satisfactory to us of compliance with this obligation within five (5) days after the termination or expiration of this Agreement. You hereby appoint us your attorney-in-fact to carry out the requirements of this Section 14.3(iv), if you fail to do so within such five (5) day period;

(v) notify the telephone, internet, email, electronic network, directory, and listing entities of the termination or expiration of Franchisee's right to use any numbers, addresses, domain names, locators, directories and listings associated with any of the Marks, and authorize their transfer to Franchisor or any new franchisee as may be directed by Franchisor, and Franchisee hereby irrevocably appoints Franchisor, with full power of substitution, as its true and lawful attorney-in-fact, which appointment is coupled with an interest; to execute such directions and authorizations as may be necessary or appropriate to accomplish the foregoing; and

(vi) cease operating the Franchised Business.

14.4 Remove Identification. Within thirty (30) days after termination or expiration, Franchisee shall at its own expense "de-identify" the Location so that it no longer contains the Marks, signage, or any trade dress of a Foxtail Coffee Co. business, to the reasonable satisfaction of Franchisor. Franchisee shall comply with any reasonable instructions and procedures of Franchisor for de-identification. If Franchisee fails to do so within thirty (30) days after this Agreement expires or is terminated, Franchisor may enter the Location to remove the Marks and de-identify the Location. In this event,

Franchisor will not be charged with trespass nor be accountable or required to pay for any assets removed or altered, or for any damage caused by Franchisor.

14.5 Other Claims. Termination of this Agreement by Franchisor will not affect or discharge any claims, rights, causes of action or remedies (including claims for Franchisor's lost future income after termination), which Franchisor may have against Franchisee, whether arising before or after termination.

14.6 Purchase Option. When this Agreement expires or is terminated, Franchisor will have the right (but not the obligation) to purchase any or all of the assets related to the Franchised Business, and/or to require Franchisee to assign its lease or sublease to Franchisor. To exercise this option, Franchisor must notify Franchisee no later than 30 days after this Agreement expires or is terminated. The purchase price for all assets that Franchisor elects to purchase will be the lower of (i) the book value of such assets as declared on Franchisee's last filed tax returns or (ii) the fair market value of the assets. If the parties cannot agree on fair market value within 30 days after the exercise notice, the fair market value will be determined by an independent appraiser reasonably acceptable to both parties. The parties will equally share the cost of the appraisal. Franchisor's purchase will be of assets only (free and clear of all liens), and the purchase will not include any liabilities of Franchisee. The purchase price for assets will not include any factor or increment for any trademark or other commercial symbol used in the Franchised Business, the value of any intangible assets, or any goodwill or "going concern" value for the Franchised Business. Franchisor may withdraw its exercise of the purchase option at any time before it pays for the assets. Franchisee will sign a bill of sale for the purchased assets and any other transfer documents reasonably requested by Franchisor. If Franchisor exercises the purchase option, Franchisor may deduct from the purchase price: (a) all amounts due from Franchisee; (b) Franchisee's portion of the cost of any appraisal conducted hereunder; and (c) amounts paid or to be paid by Franchisor to cure defaults under Franchisee's lease and/or amounts owed by Franchisee to third parties. If any of the assets are subject to a lien, Franchisor may pay a portion of the purchase price directly to the lienholder to pay off such lien. Franchisor may withhold 25% of the purchase price for 90 days to ensure that all of Franchisee's taxes and other liabilities are paid. Franchisor may assign this purchase option to another party.

ARTICLE 15. TRANSFERS

15.1 By Franchisor. We have the right to transfer or assign this Agreement or any part of our rights or obligations under this Agreement to any person or legal entity. You agree that we will have no liability after the effective date of the transfer or assignment for the

performance of any obligations under this Agreement. You acknowledge that we can sell our assets; sell securities in a public offering or in a private placement; merge with, acquire, or be acquired by another company; or undertake a refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring, without restriction and without affecting your obligations under this Agreement.

15.2 By Franchisee. Franchisee acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee and that Franchisor entered into this Agreement in reliance on Franchisee's business skill, financial capacity, personal character, experience, and business ability. Accordingly, Franchisee shall not conduct or undergo a Transfer without providing Franchisor at least sixty (60) days prior notice requesting approval for the proposed Transfer. In granting any such consent, Franchisor may impose conditions, including, without limitation, the following:

(i) Franchisor receives a transfer fee equal to ten thousand dollars ($10,000) plus any broker fees and other out-of-pocket costs incurred by Franchisor;

(ii) the proposed assignee and its owners have completed Franchisor's franchise application processes, meet Franchisor's then-applicable standards for new franchisees, and have been approved by Franchisor as franchisees;

(iii) the proposed assignee and spouse, if applicable, is not a Competitor;

(iv) the proposed assignee executes Franchisor's then-current form of franchise agreement and any related documents, which form may contain materially different provisions than this Agreement;

(v) all owners of the proposed assignee provide a guaranty in accordance with Article 2.5;

(vi) Franchisee has paid all monetary obligations to Franchisor and its affiliates, and to any lessor, vendor, supplier, or lender to the Franchised Business, and Franchisee is not otherwise in default or breach of this Agreement or of any other obligation owed to Franchisor or its affiliates;

(vii) the proposed assignee and its owners and employees undergo such training as Franchisor may require;

(viii) Franchisee, its Owners, and the transferee and its owners execute a general release of Franchisor in a form satisfactory to Franchisor; and

(ix) the Franchised Business fully complies with all of Franchisor's most recent System Standards.

(x) Franchisee must fully comply, in a timely fashion, with all documents, instruments, and actions requested by Franchisor in connection with the Transfer, including without limitation the execution of all closing documents, the delivery of all business records, and the completion of all transitional obligations. Franchisor may withhold its consent to the Transfer until all such requirements have been satisfied to Franchisor's reasonable satisfaction.

(xi) Prior to listing, advertising, or otherwise marketing the Franchised Business for Transfer, Franchisee shall submit to Franchisor for its prior written approval: (A) all listing copy, descriptions, photographs, videos, and other marketing materials Franchisee proposes to use; (B) the identity of each broker, platform, website, or publication on which Franchisee proposes to list or advertise the Franchised Business; and (C) the proposed asking price and material terms to be disclosed. Franchisor will respond to each submission within fourteen (14) days; if Franchisor does not respond within that period, the submission is deemed rejected. Franchisee shall not list or advertise the Franchised Business for Transfer through any consumer classified or consumer marketplace platform, including without limitation Facebook Marketplace, Craigslist, OfferUp, Nextdoor, and any successor or similar platform. Franchisor may designate from time to time, in the Guide or otherwise in writing, additional prohibited platforms and approved listing channels (such as designated business brokers or commercial business-for-sale marketplaces), and Franchisee shall comply with such designations. Franchisee shall not disclose in any listing or resale marketing material any Gross Sales, profit, margin, rent, royalty, or other financial or operational information that constitutes Confidential Information under Article 13.1 without Franchisor's prior written consent. Each listing or advertisement shall state that the Transfer is subject to Franchisor's approval of the transferee on Franchisor's then-current terms.

(xii) If Franchisor determines that any listing, advertisement, or marketing material relating to a proposed Transfer has been published,

displayed, or distributed without Franchisor's prior written approval, or in violation of any System Standard, Franchisor may require Franchisee to remove or retract the listing or material. Franchisee shall effect such removal or retraction within forty-eight (48) hours after Franchisor's notice. Failure to do so shall constitute a material default under this Agreement for which Franchisor may exercise any remedy available under Article 14, in addition to any other remedy at law or in equity.

15.3 Transfer for Convenience of Ownership. If Franchisee is an individual, Franchisee may Transfer this Agreement to a corporation or limited liability company formed for the convenience of ownership after at least fifteen (15) days' notice to Franchisor, if, prior to the Transfer: (1) the transferee provides the information required by Article 2.3; (2) Franchisee provides copies of the entity's charter documents, by-laws (or operating agreement) and similar documents, if requested by Franchisor, (3) Franchisee owns all voting securities of the corporation or limited liability company, and (4) Franchisee provides a guaranty in accordance with Article 2.5.

15.4 Transfer upon Death or Incapacity. If you or any owner dies, becomes incapacitated, or enters bankruptcy proceedings, that person's executor, administrator, personal representative, or trustee must apply to us in writing within three (3) months after the event (death, declaration of incapacity, or filing of a bankruptcy petition) for consent to transfer the person's interest. The transfer will be subject to the provisions of this Section 15, as applicable; however, you will not be required to pay a transfer fee. For purposes of this Section 15.4, "incapacity" means any physical or mental infirmity that will prevent the person from performing his or her obligations under this Agreement (1) for a period of thirty (30) or more consecutive days, or (2) for sixty (60) or more total days during a calendar year. In the case of transfer by bequest or by intestate succession, if the heirs or beneficiaries are unable to meet the conditions of transfer set forth in Section 15.2, the executor may transfer the decedent's interest to another successor that we have approved, subject to all of the terms and conditions for transfers contained in this Agreement. If an interest is not disposed of under this Section 15.4 within six (6) months after the date of death or appointment of a personal representative or trustee, we can terminate this Agreement under Section 14.2.

15.5 Franchisor's Right of First Refusal. Before Franchisee (or any Owner) engages in a Transfer (except under Article 15.3 or 15.4), Franchisor will have a right of first refusal, as set forth in this Article. Franchisee (or its Owners) shall provide to Franchisor a copy of the terms and conditions of any Transfer together with all material documents relating thereto. For a period of thirty (30) days from the date of Franchisor's receipt of such copy

and all requested supporting documents, Franchisor will have the right, exercisable by notice to Franchisee, to purchase the assets subject of the proposed Transfer for the same price and on the same terms and conditions (except that Franchisor may substitute cash for any other form of payment). If Franchisor does not exercise its right of first refusal, Franchisee may proceed with the Transfer, subject to the other terms and conditions of this Article.

15.6 No Sublicense. Franchisee has no right to sublicense the Marks or any of Franchisee's rights under this Agreement.

15.7 No Lien on Agreement. Franchisee shall not grant a security interest in this Agreement to any person or entity without Franchisor's prior written consent. If Franchisee grants an "all assets" security interest to any lender or other secured party, Franchisee shall cause the secured party to expressly exempt this Agreement from the security interest.

ARTICLE 16. INDEMNITY

16.1 Indemnity.

(i) You and your guarantors will defend, indemnify and hold harmless, us and our parent, affiliates, subsidiaries and their successors and assigns, and each of their respective direct and indirect owners, directors, officers, managers, employees, agents, attorneys, and representatives (collectively, "Indemnified Parties") from and against all Losses (as defined below) which any of the Indemnified Parties may suffer, sustain or incur as a result of a claim asserted or inquiry made formally or informally, or a legal action, investigation, or other proceeding brought by a third party and directly or indirectly arising out of your development and operation of the Franchised Business, your conduct of business under this Agreement, your breach of this Agreement or your noncompliance or alleged noncompliance with any law, ordinance, rule or regulation including any allegation that we or another Indemnified Party is a joint employer or otherwise responsible for your acts or omissions relating to your employees. We will promptly notify you of any claim that may give rise to a claim of indemnity hereunder, provided, however, that the failure to provide such notice will not release you from your indemnification obligations under this Article 16.1 except to the extent you are actually and materially prejudiced by such failure.

(ii) You will have the right, upon written notice delivered to the Indemnified Party within fifteen (15) days thereafter assuming full responsibility for Losses

resulting from such claim, to assume and control the defense of such claim, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of the fees and disbursements of such counsel. If (1) the Indemnified Party will have been advised by counsel that there are one or more legal or equitable defenses available to it that are different from or in addition to those available to you and, in the reasonable opinion of the Indemnified Party, your counsel could not adequately represent the interests of the Indemnified Party because such interests could be in conflict with your interests, or (2) you do not assume responsibility for such Losses in a timely manner or you fail to defend a claim with counsel reasonably satisfactory to the Indemnified Party as contemplated above, then the Indemnified Party will have the right to employ counsel of its own choosing, and you will pay the fees and disbursements of such Indemnified Party's counsel as incurred. In connection with any claim, the Indemnified Party or you, whichever is not assuming the defense of such claim, will have the right to participate in such claim and to retain its own counsel at such party's own expense.

(iii) You or the Indemnified Party (as the case may be) will keep you or the Indemnified Party (as the case may be) promptly apprised of, and will respond to any requests concerning, the status of the defense of any claim and will cooperate fully with each other with respect to the defense of any such claim. You will not, without the prior written consent of the Indemnified Party, (1) settle or compromise any claim or consent to the entry of any judgment with respect to any claim which does not include an unconditional and general release from liability of such claim for the Indemnified Party and its affiliates, direct and indirect owners, directors, managers, employees, agents and representatives, or (2) settle or compromise any claim in any manner that may adversely affect the Indemnified Party other than as a result of money damages or other monetary payments which will be paid by you. No claim that is being defended in good faith by you in accordance with the terms of this Article 16.1 will be settled by the Indemnified Party without your prior written consent. Notwithstanding anything to the contrary herein, if a claim involves the Proprietary Marks, you agree that we will have the exclusive right to assume the defense of such claim, at your expense with counsel selected by us, but reasonably satisfactory to you.

(iv) You have no obligation to indemnify or hold harmless an Indemnified Party for any Losses to the extent they are determined in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction to have been caused

solely and directly by the Indemnified Party's gross negligence, willful misconduct, or willful wrongful omissions.

(v) For purposes of this Article 16.1, "Losses" include all obligations, liabilities, damages (actual, consequential, or otherwise), and defense costs that any Indemnified Party incurs. Defense costs include accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation and alternative dispute resolution.

(vi) Your obligations in this Article 16.1 will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its Losses, in order to maintain and recover fully a claim against you under this Article 16.1. You agree that a failure to pursue a recovery or mitigate a Loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this Article 16.1.

(vii) It is the intention of the parties to this Agreement that we shall not be deemed a joint employer with you for any reason; however, you will, at your sole expense, defend, fully protect, indemnify and hold us harmless from any and all claims arising in any manner, directly or indirectly, out of or in connection with or incidental to the actions or omissions of your employees or independent contractors or allegations that we are the joint employer of your employees.

16.2 Assumption by Franchisor. Franchisor may elect to assume the defense and/or settlement of any Action subject to this indemnification, at Franchisee’s expense. Such an undertaking shall not diminish Franchisee’s obligation to indemnify the Indemnitees.

ARTICLE 17. DISPUTE RESOLUTION

17.1 Arbitration.

(a) Disputes Subject to Arbitration. Except as expressly provided in subsection (c), any controversy or claim arising out of or relating to this Agreement or the breach thereof, shall be resolved by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, including the Optional Rules for Emergency Measures of Protection. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction.

(b) Location. The place of arbitration shall be the city and state where Franchisor's headquarters are located.

(c) Injunctive Relief. You recognize that your failure to comply with the terms of this Agreement, including the failure to comply fully with all post-termination obligations, is likely to cause irreparable harm to us, our affiliates, and the System. Therefore, you agree that, in the event of a breach or threatened breach of any of the terms of this Agreement by you, we shall be entitled to injunctive relief (both preliminary and permanent) restraining that breach and/or to specific performance without showing or proving actual damages and without posting any bond or security. Any equitable remedies sought by us shall be in addition to, and not in lieu of, all remedies and rights that we otherwise may have arising under applicable law or by virtue of any breach of this Agreement.

(d) Confidentiality. All documents, information, and results pertaining to any arbitration or lawsuit will be confidential, except as required by law or as required for Franchisor to comply with laws and regulations applicable to the sale of franchises.

(e) Performance During Arbitration or Litigation. Unless this Agreement has been terminated, Franchisor and Franchisee will comply with this Agreement and perform their respective obligations under this Agreement during the arbitration or litigation process.

17.2 WAIVER OF PUNITIVE DAMAGES, CLASS ACTION LAWSUITS AND JURY TRIAL. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH PARTY WAIVES ANY RIGHT TO, OR CLAIM FOR, ANY CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER PARTY. THE PARTIES ALSO AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN THEM, THE PARTY MAKING A CLAIM WILL BE LIMITED TO RECOVERY OF ACTUAL DAMAGES, IF ANY. THE PARTIES IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO BRING, OR BE A CLASS MEMBER IN, ANY CLASS ACTION SUITS. THE PARTIES IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, AND/OR COUNTERCLAIM BROUGHT BY EITHER PARTY.

17.3 Time Limitation. Any arbitration or other legal action arising from or related to this Agreement must be instituted within two (2) years from the date such party discovers the conduct or event that forms the basis of the arbitration or other legal action. The foregoing time limit does not apply to claims (i) by one party related to non-payment under this Agreement by the other party, (ii) for indemnity under Article 16, or (iii) related to unauthorized use of Confidential Information or the Marks.

17.4 Venue Other Than Arbitration. For any legal proceeding not required to be submitted to arbitration, the parties agree that any such legal proceeding will be brought in the United States District Court where Franchisor's headquarters is then located. If there is no federal jurisdiction over the dispute, the parties agree that any such legal proceeding will be brought in the court of record of the state and county where Franchisor's headquarters is then located. Each party consents to the jurisdiction of such courts and waives any objection that it, he or she may have to the laying of venue of any proceeding in any of these courts.

17.5 Legal Costs. In any legal proceeding (including arbitration) related to this Agreement or any guaranty, the non-prevailing party shall pay the prevailing party's attorney fees, costs, disbursements, and other expenses related to the proceeding. "Prevailing party" means the party, if any, which prevailed upon the central litigated issues and obtained substantial relief.

ARTICLE 18. MISCELLANEOUS

18.1 Relationship of the Parties. The parties are independent contractors, and neither is the agent, partner, joint venturer, or employee of the other. Franchisor is not a fiduciary of Franchisee. Franchisor does not control or have the right to control Franchisee or its Business. Franchisor has no liability for Franchisee's obligations to any third party whatsoever.

18.2 No Third-Party Beneficiaries. Except as explicitly provided to the contrary herein, nothing in this Agreement is intended or will be deemed to confer any rights or remedies on any person or legal entity other than you, your owner(s), us, and our affiliates.

18.3 Entire Agreement. This Agreement, together with its attachments and any other documents expressly referred to herein, constitutes the entire agreement of the parties and supersedes all prior negotiations, representations, and agreements, whether written or oral. Nothing in this Agreement or in any related agreement is intended to disclaim the representations made by Franchisor in its franchise disclosure document.

18.4 Modification. No modification or amendment of this Agreement will be effective unless it is in writing and signed by both parties, except as expressly provided in this Agreement. This provision does not limit Franchisor's rights to modify the Guide or System Standards.

18.5 Consent; Waiver. No consent under this Agreement, and no waiver of satisfaction of a condition or nonperformance of an obligation under this Agreement will be effective

unless it is in writing and signed by the party granting the consent or waiver. No waiver by a party of any right will affect the party's rights as to any subsequent exercise of that right or any other right. No delay, forbearance, or omission by a party to exercise any right will constitute a waiver of such right.

18.6 Cumulative Remedies. Rights and remedies under this Agreement are cumulative. No enforcement of a right or remedy precludes the enforcement of any other right or remedy.

18.7 Severability. The parties intend that (i) if any provision of this Agreement is held by an arbitrator or court to be unenforceable, then that provision be modified to the minimum extent necessary to make it enforceable, unless that modification is not permitted by law, in which case that provision will be disregarded, and (ii) if an unenforceable provision is modified or disregarded, then the rest of this Agreement will remain in effect as written.

18.8 Counterparts. This Agreement may be signed in counterparts, signature pages may be exchanged by facsimile and any other electronic transmission (including PDF), and each such counterpart, when taken together with all other identical copies of this Agreement also signed in counterpart, shall be considered as one complete agreement.

18.9 Governing Law. The laws of the state of Florida (without giving effect to its principles of conflicts of law) govern all adversarial proceedings between the parties. The parties agree that any Florida law for the protection of franchisees or business opportunity purchasers will not apply unless its jurisdictional requirements are met independently without reference to this Article 18.9.

18.10 Notices. Any notice will be effective under this Agreement only if made in writing and delivered as set forth in this Article to: (A) if to Franchisee, addressed to Franchisee at the notice address set forth in the Summary Page; and (B) if to Franchisor, addressed to 1801 Lee Road, Suite 301, Winter Park FL 32789. Any party may designate a new address for notices by giving notice of the new address pursuant to this Article. Notices will be effective upon receipt (or first rejection) and must be: (1) delivered personally; (2) sent by registered or certified U.S. mail with return receipt requested; (3) sent via overnight courier; or (4) sent by email, with confirmation of receipt. Notwithstanding the foregoing, Franchisor may amend the Guide, give binding notice of changes to System Standards, and deliver notices of default by electronic mail or other electronic communication.

18.11 Holdover. If Franchisee continues operating the Franchised Business after the expiration of the term without a renewal agreement or successor franchise agreement executed by the parties in accordance with Article 3.2, then at any time (regardless of any course of dealing by the parties), Franchisor may by giving written notice to Franchisee (the "Holdover Notice") either (i) require Franchisee to cease operating the Franchised Business and comply with all post-closing obligations effective immediately upon giving notice or effective on such other date as Franchisor specifies, or (ii) bind Franchisee to a renewal term of 5 years, and deem Franchisee and its Owners to have made the general release of liability described in Article 3.2(vi).

18.12 Joint and Several Liability. If two or more people sign this Agreement as "Franchisee", each will have joint and several liability.

18.13 No Offer and Acceptance. Delivery of a draft of this Agreement to Franchisee by Franchisor does not constitute an offer. This Agreement shall not be effective unless and until it is executed by both Franchisee and Franchisor.

ARTICLE 19. CERTIFICATION OF FRANCHISOR'S COMPLIANCE

By signing this Agreement, Franchisee acknowledges the following:

(1) Franchisee understands all the information in Franchisor's Disclosure Document.

(2) Franchisee understands the success or failure of the Franchised Business will depend in large part upon Franchisee's skills, abilities, and efforts and those of the persons Franchisee employs, as well as many factors beyond Franchisee's control such as weather, competition, interest rates, the economy, inflation, labor and supply costs, lease terms, and the marketplace.

(3) That no person acting on Franchisor's behalf made any statement or promise regarding the costs involved in operating a Foxtail Coffee Co. franchise that is not in the Disclosure Document or that is contrary to, or different from, the information in the Disclosure Document.

(4) That no person acting on Franchisor's behalf made any claim or representation to Franchisee, orally, visually, or in writing, that contradicted the information in the Disclosure Document.

(5) That no person acting on Franchisor's behalf made any statement or promise regarding the actual, average, or projected profits or earnings, the

likelihood of success, the amount of money Franchisee may earn, or the total amount of revenue a Foxtail Coffee Co. franchise will generate, that is not in the Disclosure Document or that is contrary to, or different from, the information in the Disclosure Document.

(6) That no person acting on Franchisor's behalf made any statement or promise or agreement, other than those matters addressed in this Agreement, concerning advertising, marketing, media support, market penetration, training, support service, or assistance that is contrary to, or different from, the information contained in the Disclosure Document.

(7) Franchisee understands that this Agreement contains the entire agreement between Franchisor and Franchisee concerning the Foxtail Coffee Co. franchise, which means that any oral or written statements not set out in this Agreement will not be binding.

[Signatures on next page]

Agreed to and accepted by:

FRANCHISOR:

FOXTAIL COFFEE FRANCHISE CO., LLC.

By: _____
Name: Alex Tchekmeian
Title: Founder & President
Date: _____

FRANCHISEE:

[if an individual:]

By: _____
Name: _____
Date: _____

[if an entity:]

Company: _____

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

Attachment 1 to Franchise Agreement

OWNERSHIP INFORMATION

1. Form of Ownership. Franchisee is a (check one):

_____ Sole Proprietorship
_____ Partnership
_____ Limited Liability Company
_____ Corporation

State of incorporation/organization/residence: _____

2. Owners. If Franchisee is a partnership, limited liability company or corporation:

Name	Shares or Percentage of Ownership

3. Officers. If Franchisee is a limited liability company or corporation:

Name	Title

Attachment 2 to Franchise Agreement

LOCATION ACCEPTANCE LETTER

This Location Acceptance Letter is issued by Foxtail Coffee Franchise Co., LLC., for your Foxtail Coffee Co. franchise in accordance with Article 6.1 of the Franchise Agreement.

1. The Location of the Franchised Business is:

   _____

2. The Territory of the Franchised Business is:

   _____

3. Unit #: _____

4. Radius Restriction:_____

5. Location Name for Website, Mobile App, and Operational Accounts:

   _____

6. Anticipated Landlord Turnover Date: _____

7. Anticipated Shop Opening Date: _____

FOXTAIL COFFEE FRANCHISE CO., LLC.

By: _____
Name: Alex Tchekmeian
Title: Founder and President
Date: _____

Attachment 3 to Franchise Agreement

GUARANTY AND NON-COMPETE AGREEMENT

This Guaranty and Non-Compete Agreement (this "Guaranty") is executed by the undersigned person(s) (each, a "Guarantor") in favor of Foxtail Coffee Franchise Co., LLC., a Florida limited liability company ("Franchisor").

Background Statement: _____ ("Franchisee") desires to enter into a Franchise Agreement with Franchisor for the franchise of a Foxtail Coffee Co. business (the "Franchise Agreement"; capitalized terms used but not defined in this Guaranty have the meanings given in the Franchise Agreement). Guarantor owns an equity interest in Franchisee. Guarantor is executing this Guaranty in order to induce Franchisor to enter into the Franchise Agreement.

Guarantor agrees as follows:

1. Guaranty. Guarantor hereby unconditionally guarantees to Franchisor and its successors and assigns that Franchisee shall pay and perform every undertaking, agreement and covenant set forth in the Franchise Agreement and further guarantees every other liability and obligation of Franchisee to Franchisor, whether or not contained in the Franchise Agreement. Guarantor shall render any payment or performance required under the Franchise Agreement or any other agreement between Franchisee and Franchisor upon demand from Franchisor. Guarantor waives (a) acceptance and notice of acceptance by Franchisor of this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations of Franchisee; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (d) any right Guarantor may have to require that an action be brought against Franchisee or any other person or entity as a condition of liability hereunder; (e) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the execution of and performance under this Guaranty by the undersigned; (f) any law which requires that Franchisor make demand upon, assert claims against or collect from Franchisee or any other person or entity (including any other guarantor), foreclose any security interest, sell collateral, exhaust any remedies or take any other action against Franchisee or any other person or entity (including any other guarantor) prior to making any demand upon, collecting from or taking any action against the undersigned with respect to this Guaranty; and (g) any and all other notices and legal or equitable defenses to which Guarantor may be entitled.

2. Confidential Information. With respect to all Confidential Information Guarantor shall (a) adhere to all security procedures prescribed by Franchisor for maintaining confidentiality, (b) disclose such information to its employees only to the extent necessary for the operation of the Franchised Business; (c) not use any such information in any other business or in any manner not specifically authorized or approved in writing by Franchisor, (d) exercise the highest degree of diligence and make every effort to maintain the confidentiality of all such information during and after the term of the Franchise Agreement, (e) not copy or otherwise reproduce any Confidential Information without the express written consent of the Franchisor, and (f) promptly report any unauthorized disclosure or use of Confidential Information to the Franchisor. Guarantor acknowledges that all Confidential Information is owned by Franchisor or its affiliates (except for Confidential Information which Franchisor licenses from another person or entity). Guarantor acknowledges that all customer data generated or obtained by Guarantor is Confidential Information belonging to Franchisor. This Section will survive the termination or expiration of the Franchise Agreement indefinitely.

3. Covenants Not to Compete.

(a) Restriction - In Term. During the term of the Franchise Agreement, Guarantor shall not directly or indirectly have any ownership interest in, or be engaged or employed by, any Competitor.

(b) Restriction – Post Term. For two years after the Franchise Agreement expires or is terminated for any reason (or, if applicable, for two years after a Transfer by Guarantor), Guarantor shall not directly or indirectly have any ownership interest in, or be engaged or employed by, any Competitor located within five miles of Franchisee's Territory or the territory of any other Foxtail Coffee Co. business operating on the date of termination or transfer, as applicable.

(c) Interpretation. Guarantor agrees that each of the foregoing covenants is independent of any other covenant or provision of this Guaranty or the Franchise Agreement. If all or any portion of the covenants in this Section is held to be unenforceable or unreasonable by any court, then the parties intend that the court modify such restriction to the extent reasonably necessary to protect the legitimate business interests of Franchisor. Guarantor agrees that the existence of any claim it or Franchisee may have against Franchisor shall not constitute a defense to the enforcement by Franchisor of the covenants of this Section. If Guarantor fails to comply with the obligations under this Section during the restrictive period, then the restrictive period will be extended an additional day for each day of noncompliance.

4. Employee Recruitment. During the term of the Franchise Agreement and for one year after termination, transfer, or expiration of the Franchise Agreement, Guarantor shall not knowingly employ or seek to employ or engage as an independent contractor any person then employed by Franchisor or by any other franchisee of Franchisor.

5. Modification. Guarantor agrees that Guarantor's liability hereunder shall not be diminished, relieved, or otherwise affected by (a) any amendment of the Franchise Agreement, (b) any extension of time, credit or other indulgence which Franchisor may from time-to-time grant to Franchisee or to any other person or entity, or (c) the acceptance of any partial payment or performance or the compromise or release of any claims.

6. Governing Law; Dispute Resolution. This Guaranty shall be governed by and construed in accordance with the laws of the state of Florida (without giving effect to its principles of conflicts of law). The parties agree that any Florida law for the protection of franchisees or business opportunity purchasers will not apply unless its jurisdictional requirements are met independently without reference to this Section 6. The provisions of Article 17 (Dispute Resolution) of the Franchise Agreement apply to and are incorporated into this Guaranty as if fully set forth herein. Guarantor shall pay to Franchisor all costs incurred by Franchisor (including reasonable attorney fees) in enforcing this Guaranty. If multiple Guarantors sign this Guaranty, each will have joint and several liability.

(Signatures on Next Page)

Agreed to by:

_____

Name: _____

Address: _____

_____

_____

Date: _____

_____

Name: _____

Address: _____

_____

_____

Date: _____

_____

Name: _____

Address: _____

_____

_____

Date: _____

EXHIBIT C

MULTI-UNIT DEVELOPMENT AGREEMENT

This Multi-Unit Development Agreement (this "MUDA") is made between Foxtail Coffee Franchise Co, LLC, a Florida limited liability company ("Franchisor") and _____, a _____ ("Franchisee") on the Effective Date.

Background Statement: On the same day as they execute this MUDA, Franchisor and Franchisee have entered into a Franchise Agreement for the franchise of a Foxtail Coffee Co. business (the "Franchise Agreement"; capitalized terms used but not defined in this MUDA have the meanings given in the Franchise Agreement). Franchisor and Franchisee desire that Franchisee develop multiple Foxtail Coffee Co. businesses.

1. Multi-Unit Commitment.

(a) Development Schedule; Fee. Franchisee shall develop and open Foxtail Coffee Co. businesses on the following schedule:

UNIT	DEVELOPMENT TIMELINE	OPENING DATE	FRANCHISE FEE SCHEDULE	PAYMENT DUE DATE	PAYMENT TOTAL
1					$40,000
2					$35,000
3					$35,000
4					$35,000
5					$35,000
INITIAL FRANCHISE FEE TOTAL (Paid Upon Execution of MUDA)					

(b) Payment. Upon execution of this MUDA, Franchisee shall pay to Franchisor, in full, the aggregate initial franchise fees for all Foxtail Coffee Co. businesses Franchisee has committed to develop under this MUDA, as set forth in the Development Schedule above (the "MUDA Franchise Fees"). The MUDA Franchise Fees are non-refundable

under all circumstances. Franchisee acknowledges that no portion of the MUDA Franchise Fees is conditioned on the opening of any Foxtail Coffee Co. business or on Franchisee's satisfaction of the Development Schedule, and that the MUDA Franchise Fees are fully earned by Franchisor upon execution of this MUDA.

2. Term. The term of this Agreement begins on the Effective Date and expires on the earlier of the date that you open the final Location to be developed under this Agreement or the opening deadline for that Location as set forth in the Development Schedule.

3. Form of Agreement. For Store #1, Franchisee and Franchisor have executed the Franchise Agreement simultaneously with this MUDA. For each additional Foxtail Coffee Co. franchise, Franchisee shall execute Franchisor's then-current standard form of franchise agreement no later than three business days after Franchisee leases or acquires a location. This MUDA does not give Franchisee the right to construct, open, or operate a Foxtail Coffee Co. business, and Franchisee acknowledges that Franchisee may construct, open, and operate each Foxtail Coffee Co. business only pursuant to a separate franchise agreement executed pursuant to this MUDA for each such Foxtail Coffee Co. business.

4. Development Area. Franchisee shall locate each Foxtail Coffee Co. business it develops under this MUDA within the following area: _____ (the "Development Area"). Notwithstanding any other provision of this Agreement, your rights under this Agreement do not include the right to develop Foxtail Coffee Businesses at any "Non-Traditional Sites". Non-Traditional Sites include, without limitation, military bases, hotels, high school and college campuses, airports, train stations, travel plazas, toll roads, hospitals, convenience stores, casinos, sports or entertainment venues or stadiums, and retail locations being sublet under a lease to a master concessionaire, whether currently existing or constructed or established subsequent to the date hereof, whether located within or outside the Development Area.

5. Limited Exclusivity. During the term of this MUDA, we and our affiliates will not operate, or license others to operate, any new Foxtail Coffee Co. businesses in the Development Area, provided that you are in compliance with the terms of this MUDA and any other agreements with us and our affiliates and you are current on all obligations due to us and our affiliates. This Section 5 does not prohibit us and our affiliates, from: (1) operating, and licensing others to operate, Foxtail Coffee Co. businesses in the Development Area that are open and operating or under development as of the Effective Date; (2) during the term of this MUDA, operating, and licensing others to operate, Foxtail Coffee Co. businesses at any location outside the Development Area; (3) after

this Agreement terminates or expires, operating, and licensing others to operate, Foxtail Coffee Co. businesses at any location. You acknowledge that the development rights granted under this MUDA are non-exclusive and that, except as expressly provided in this Section 5, you have no exclusive territorial rights, protected territory or other right to exclude, control or impose conditions on the location or development of Foxtail Coffee Co. businesses under the Marks, on any sales or distribution of products under the Marks, or on our (and our affiliates') business activities. Notwithstanding the foregoing, each individual Foxtail Coffee Co. business that you establish pursuant to this MUDA shall receive its own defined protected territory in accordance with the terms of each individual Franchise Agreement, with the same territorial protections as provided to single-unit franchisees under our standard Franchise Agreement.

6. No Sub-franchising Rights. This MUDA does not grant you any right to franchise, sub-franchise, or otherwise authorize others to operate Foxtail Coffee Co. businesses. Only you (and/or your Controlled Affiliates) may develop, open, and operate the Foxtail Coffee Co. businesses contemplated by this MUDA and only pursuant to signed Franchise Agreements. Although you may reference your rights and obligations under this MUDA in discussions with landlords, employees, and others with whom you may deal in connection with the Foxtail Coffee Co. businesses, this MUDA does not grant you any rights to use, or authorize others to use, the Marks in any manner. Your right to use the Marks arises only under the Franchise Agreements. We or our affiliates own all rights to the Marks and your use of the Marks in any way, other than pursuant to signed Franchise Agreements, is an infringement of our (and our affiliates') rights and a breach of this MUDA. A "Controlled Affiliate" means any corporation, limited liability company or other entity of which you or one or more of your owners owns more than fifty percent (50%) of the total authorized ownership interests, as long as you or such owner(s) have the right to control the entity's management and policies.

7. Default and Termination. Franchisor reserves the right to terminate this MUDA by giving written notice to Franchisee, without opportunity to cure, in the event that any of the following occur:

(i) Franchisee fails to satisfy the Development Schedule; or

(ii) Franchisee fails to pay the amounts due to Franchisor under Section 1 of this MUDA on the date that such payment is due.

8. Limitation of Liability. Franchisee's commitment to develop Foxtail Coffee Co. businesses is in the nature of an option only. If Franchisor terminates this MUDA for Franchisee's default, Franchisee shall not be liable to Franchisor for lost future revenues

or profits from the unopened Foxtail Coffee Co. businesses. Franchisee may terminate this MUDA at any time upon providing written notice to the Franchisor.

9. Conditions. Franchisee's right to develop each Foxtail Coffee Co. franchise after the first Franchised Business is subject to the following:

(i) Franchisee must possess sufficient financial and organizational capacity to develop, open, operate, and manage each additional Foxtail Coffee Co. business, in the reasonable judgment of Franchisor, and

(ii) Franchisee must be in full compliance with all brand requirements at its open Foxtail Coffee Co. businesses, and not in default under any Franchise Agreement or any other agreement with Franchisor.

10. Dispute Resolution; Miscellaneous. The laws of the State of Florida (without giving effect to its principles of conflicts of law) govern all adversarial proceedings between the parties. The parties agree that any Florida law for the protection of franchisees or business opportunity purchasers will not apply unless its jurisdictional requirements are met independently without reference to this Section 7. Franchisee shall not Transfer this MUDA without the prior written consent of Franchisor, and any Transfer without Franchisor's prior written consent shall be void. The provisions of Article 17 (Dispute Resolution) and Article 18 (Miscellaneous) of the Franchise Agreement apply to and are incorporated into this MUDA as if fully set forth herein.

11. Force Majeure. If the performance of any obligation by any party under this MUDA is prevented, hindered or delayed by reason of any natural disaster, strike, lock-out or other industrial disturbance, war (declared or undeclared), riot, pandemic, epidemic, fire or other catastrophe, act of any government or other third party and any other cause not within the control of the party affected thereby ("Force Majeure") that cannot be overcome by reasonable commercial measures, the parties shall be relieved of their respective obligations (to the extent that the parties, having exercised best efforts, are prevented, hindered or delayed in such performance) during the period of such Force Majeure. The party whose performance is affected by an event of Force Majeure shall give prompt written notice of such Force Majeure event to the other party by setting forth the nature thereof and an estimate as to its duration. Your inability to obtain financing (regardless of the reason) shall not constitute Force Majeure.

12. Severability. If any provision of this MUDA is determined to be invalid or in conflict with any existing or future law or regulation by a court or agency having valid jurisdiction, the invalidity will not impair the operation of any other provisions which remain otherwise

enforceable. The latter will continue to be given full force and effect, and the invalid provisions will be deemed not to be a part of this MUDA.

13. Counterparts. This MUDA may be signed in counterparts, signature pages may be exchanged by facsimile and any other electronic transmission (including PDF), and each such counterpart, when taken together with all other identical copies of this MUDA also signed in counterpart, shall be considered as one complete agreement.

[Signatures on Next Page]

Agreed to by:

FRANCHISOR:
FOXTAIL COFFEE FRANCHISE CO., LLC.

By: _____
Name: Alex Tchekmeian
Title: Founder and President
Date: _____

FRANCHISEE:
[if an individual:]

_____
Name: _____

[if an entity:]

_____
By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT D

RIDER TO LEASE AGREEMENT

Landlord: _____
Notice Address:_____
_____
Telephone:_____

Franchisor:
Foxtail Coffee Franchise Co., LLC.
Notice Address: 1801 Lee Road, Suite 301, Winter Park, FL 32789
Telephone: 352-290-0283

Tenant: _____

Leased Premises: _____

1. Use. Tenant is a franchisee of Franchisor. The Leased Premises shall be used only for the operation of a Foxtail Coffee Co. business (or any name authorized by Franchisor).

2. Notice of Default and Opportunity to Cure. Landlord shall provide Franchisor with copies of any written notice of default ("Default") given to Tenant under the Lease, and Landlord grants to Franchisor the option (but not the obligation) to cure any Default under the Lease (should Tenant fail to do so) within 10 days after the expiration of the period in which Tenant may cure the Default.

3. Termination of Lease. Landlord shall copy Franchisor on any notice of termination of the Lease. If Landlord terminates the Lease for Tenant's Default, Franchisor shall have the option to enter into a new Lease with Landlord on the same terms and conditions as the terminated Lease. To exercise this option, Franchisor must notify Landlord within 15 days after Franchisor receives notice of the termination of the Lease.

4. Termination of Franchise Agreement. If the Franchise Agreement between Franchisor and Tenant is terminated during the term of the Lease, then upon the written request of Franchisor, Tenant shall assign the Lease to Franchisor. Landlord hereby consents to the assignment of the Lease to Franchisor.

5. Assignment and Subletting. Notwithstanding any provision of the Lease to the contrary, Tenant shall have the right to assign or sublet the Lease to Franchisor, provided that no such assignment or sublease shall relieve Tenant or any guarantor of liability under the Lease. If Franchisor becomes the lessee of the Leased Premises, then Franchisor shall have the right to assign or sublease its lease to a franchisee of the Foxtail Coffee Co. brand. Any provision of the Lease which limits Tenant's right to own or operate other Foxtail Coffee Co. outlets in proximity to the Leased Premises shall not apply to Franchisor.

6. Authorization. Tenant authorizes Landlord and Franchisor to communicate directly with each other about Tenant and Tenant's business.

7. Right to Enter. Upon the expiration or termination of the Franchise Agreement or the Lease, or the termination of Tenant's right of possession of the Leased Premises, Franchisor or its designee may, after giving reasonable prior notice to Landlord, enter the Leased Premises to remove signs and other material bearing Franchisor's brand name, trademarks, and commercial symbols, provided that Franchisor will be liable to Landlord for any damage Franchisor, or its designee causes by such removal.

8. No Liability. By executing this Rider, Franchisor does not assume any liability with respect to the Leased Premises or any obligation as Tenant under the Lease.

[Signatures on Next Page]

Executed by:

LANDLORD:

_____

By: _____

Name: _____

Title: _____

Date: _____

TENANT:

_____

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISOR:

FOXTAIL COFFEE FRANCHISE CO., LLC.

By: _____

Name: Alex Tchekmeian

Title: Founder and President

Date: _____

EXHIBIT E

FORM OF GENERAL RELEASE

[This is our current standard form of General Release. This document is not signed when you purchase a franchise. In circumstances such as a renewal of your franchise or as a condition of our approval of a sale of your franchise, we may require you to sign a general release.]

This General Release ("Release") is executed by the undersigned ("Releasor"), and is in favor of and binding upon Foxtail Coffee Franchise Co., LLC., a Florida limited liability company, its successors and assigns ("Franchisor").

Background Statement: [describe circumstances of Release]

Releasor agrees as follows:

1. Release. Releasor (on behalf of itself and its parents, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, managers, members, partners, agents, and employees (collectively, the "Releasing Parties")) hereby releases Franchisor, its affiliates, and their respective directors, officers, shareholders, employees, and agents (collectively, the "Released Parties") from any and all claims, causes of action, suits, debts, agreements, promises, demands, liabilities, contractual rights and/or obligations, of whatever nature, known or unknown, which any Releasing Party now has or ever had against any Released Party based upon and/or arising out of events that occurred through the date hereof, including without limitation, anything arising out of the Franchise Agreement (collectively, "Claims").

2. Covenant Not to Sue. Releasor (on behalf of all Releasing Parties) covenants not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any Released Party with respect to any Claim.

3. Representations and Acknowledgments. Releasor represents and warrants that: (i) Releasor is the sole owner of all Claims, and that no Releasing Party has assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim; (ii) Releasor has full power and authority to sign this Release; and (iii) this Release has been voluntarily and knowingly signed after Releasor has had the opportunity to consult with

counsel of Releasor's choice. Releasor acknowledges that the release in Section 1 is a complete defense to any Claim.

4. Miscellaneous. If any of the provisions of this Release are held invalid for any reason, the remainder of this Release will not be affected and will remain in full force and effect. In the event of any dispute concerning this Release, the dispute resolution, governing law, and venue provisions of the Franchise Agreement shall apply. Releasor agrees to take any actions and sign any documents that Franchisor reasonably requests to effectuate the purposes of this Release. This Release contains the entire agreement of the parties concerning the subject matter hereof. This Release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Agreed to by: Name: _____

Date: _____

EXHIBIT F

FINANCIAL STATEMENTS

FOXTAIL COFFEE FRANCHISE CO., LLC

FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2025, 2024, AND 2023

KEZOS & DUNLAVY
Certified Public Accountants
& Business Advisors

FOXTAIL COFFEE FRANCHISE CO., LLC

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KEZOS & DUNLAVY
Certified Public Accountants
& Business Advisors

Independent Auditor's Report

To the Members
Foxtail Coffee Franchise Co., LLC
Winter Park, FL

Opinion

We have audited the accompanying financial statements of Foxtail Coffee Franchise Co., LLC, which comprise the balance sheets as of December 31, 2025, 2024, and 2023, and the related statements of operations, changes in members' deficit, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Foxtail Coffee Franchise Co., LLC as of December 31, 2025, 2024, and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Kezas & Dunlavy

St. George, Utah
April 13, 2026

FOXTAIL COFFEE FRANCHISE CO., LLC

BALANCE SHEETS

As of December 31, 2025, 2024, and 2023

	2025	2024	2023
Assets			
Current assets			
Cash and cash equivalents	$ 1,236	$ 237,662	$ 154,597
Accounts receivable	338,176	303,890	207,694
Franchise receivable	165,000	105,000	135,000
Deferred contract assets, current	66,800	70,975	210,075
Deferred equipment costs	28,416	71,635	45,899
Total current assets	599,628	789,162	753,265
Non-current assets			
Property and equipment, net of accumulated depreciation	-	1,448	7,660
Deferred contract assets, net of current portion	321,000	226,100	-
Other assets	1,550	-	-
Total non-current assets	322,550	227,548	7,660
Total assets	$ 922,178	$ 1,016,710	$ 760,925
Liabilities and Members' Deficit			
Current liabilities			
Accounts payable	$ 79,502	$ 59,230	$ 50,875
Accrued expenses	41,516	75,335	45,899
Deferred franchise revenue, current	646,000	701,000	2,129,500
Deferred equipment sales	34,160	88,615	54,879
Total current liabilities	801,178	924,180	2,281,153
Long-term liabilities			
Deferred franchise revenue, net of current portion	3,503,000	2,240,000	-
Total long-term liabilities	3,503,000	2,240,000	-
Members' deficit	(3,382,000)	(2,147,470)	(1,520,228)
Total liabilities and members' deficit	$ 922,178	$ 1,016,710	$ 760,925

The accompanying notes are an integral part of these financial statements

FOXTAIL COFFEE FRANCHISE CO., LLC

STATEMENTS OF OPERATIONS

For the Years Ended December 31, 2025, 2024, and 2023

	2025	2024	2023
Operating revenues			
Franchise fees	$ 851,500	$ 586,500	$ 600,000
Royalty fees	2,393,016	1,540,120	938,559
Marketing fees	411,120	261,917	145,831
Other sales	1,270,841	675,291	804,135
Total operating revenues	4,926,477	3,063,828	2,488,525
Operating expenses			
Payroll and related costs	1,540,107	1,026,744	504,940
Franchise costs	624,133	356,358	458,412
General and administrative	167,584	149,660	141,580
Commissions	170,040	115,422	113,990
Professional fees	83,790	101,785	105,683
Termination fees	10,000	25,000	-
Advertising expenses	-	6,104	21,631
Total operating expenses	2,595,654	1,781,073	1,346,236
Net income	$ 2,330,823	$ 1,282,755	$ 1,142,289

The accompanying notes are an integral part of these financial statements

FOXTAIL COFFEE FRANCHISE CO., LLC

STATEMENTS OF MEMBERS' DEFICIT

For the Years Ended December 31, 2025, 2024, and 2023

	Member's Deficit
Balance at December 31, 2022	$ (779,306)
Distributions	(1,883,211)
Net income	1,142,289
Balance at December 31, 2023	$ (1,520,228)
Distributions	(1,909,997)
Net income	1,282,755
Balance at December 31, 2024	$ (2,147,470)
Distributions	(3,565,353)
Net income	2,330,823
Balance at December 31, 2025	$ (3,382,000)

The accompanying notes are an integral part of these financial statements

FOXTAIL COFFEE FRANCHISE CO., LLC

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2025, 2024, and 2023

	2025	2024	2023
Cash flows used in operating activities:			
Net income	$ 2,330,823	$ 1,282,755	$ 1,142,289
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	1,448	-	-
Change in operating assets and liabilities:			
Accounts receivable	(34,286)	(96,196)	(67,397)
Franchise receivable	(60,000)	30,000	(100,000)
Deferred commissions	(90,725)	(87,000)	(87,555)
Deferred equipment costs	43,219	(25,736)	42,903
Other assets	(1,550)	-	-
Accounts payable	20,272	8,355	24,375
Accrued expenses	(33,819)	29,436	(42,903)
Deferred franchise revenue	1,208,000	811,500	839,500
Deferred equipment sales	(54,455)	33,736	(47,345)
Net cash provided by operating activities	3,328,927	1,986,850	1,703,867
Cash flows from investing activities:			
Purchases of property and equipment, net	-	6,212	(1,891)
Net cashed provided (used) by investing activities	-	6,212	(1,891)
Cash flows from financing activities:			
Member's distributions	(3,565,353)	(1,909,997)	(1,883,211)
Net cash used by financing activities	(3,565,353)	(1,909,997)	(1,883,211)
Net change in cash and cash equivalents	(236,426)	83,065	(181,235)
Cash and cash equivalents at beginning of period	237,662	154,597	335,832
Cash and cash equivalents at end of period	$ 1,236	$ 237,662	$ 154,597
Supplemental disclosures of cash flow			
Cash paid for interest and taxes	$ -	$ -	$ -

The accompanying notes are an integral part of these financial statements

(1) Nature of Business and Summary of Significant Accounting Policies

(a) Nature of Business

Foxtail Coffee Franchise Co., LLC (the "Company") was formed on September 12, 2019, in the state of Florida as a limited liability company. The Company offers franchises to qualified individuals and entities to operate a premium retail coffee business offering coffee focused beverages, food products and branded retail items, under the trade name "Foxtail Coffee Co.". The Company began franchising in 2019.

The Company has one affiliate. Foxtail Coffee Company, LLC, is a Florida limited liability company formed on April 10, 2015, and operates several Foxtail Coffee Co. locations similar to the franchise offered by the Company. The Company's affiliate does not offer franchises in any line of business.

The Company uses the accrual basis of accounting, and their accounting period is the 12-month period ending December 31 of each year. The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

(b) Accounting Standards Codification

The Financial Accounting Standards Board ("FASB") has issued the FASB Accounting Standards Codification ("ASC") that became the single official source of authoritative U.S. generally accepted accounting principles ("GAAP"), other than guidance issued by the Securities and Exchange Commission (SEC), superseding existing FASB, American Institute of Certified Public Accountants, Emerging Issues Task Force and related literature. All other literature is not considered authoritative. The ASC does not change GAAP; it introduces a new structure that is organized in an accessible online research system.

(c) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

(d) Reclassification

Certain items in a prior year have been reclassified to conform to the current year's presentation.

(e) Concentration of Risk

The Company maintains its cash in bank deposit accounts which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risks on cash or cash equivalents.

(f) Cash and Cash Equivalents

Cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase. Also included within cash equivalents are deposits in-transit from banks for payments related to third-party credit card and debit card transactions. As of December 31, 2025, 2024, and 2023, the Company had cash and cash equivalents of $1,236, $237,662, and $154,597, respectively.

(g) Accounts Receivable

Accounts receivable are recorded for amounts due based on the terms of executed franchise agreements for franchise sales, royalties, marketing contribution fees, technology and other fees, and other sales transactions. These accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables based on a review of outstanding amounts.

When determining the allowance for doubtful receivables, the Company has adopted ASC 326, Financial Instruments—Credit Losses. This standard requires that management utilize the Current Expected Credit Losses ("CECL") model to recognize the appropriate allowance for doubtful receivables. This model requires entities to estimate and recognize expected credit losses over the life of the financial instrument. For trade receivables, management has elected to apply a simplified approach, based on historical loss experience and adjustments for current and forecasted economic conditions. Management regularly evaluates individual customer receivables, considering their financial condition, credit history and current economic conditions. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded as income when received. As of December 31, 2025, 2024, and 2023, the Company had no allowance for uncollectible accounts. As of December 31, 2025, 2024, and 2023, the Company had accounts receivable of $338,176, $303,890, and $207,694, respectively.

(h) Long Lived Assets

Long lived assets, such as property and equipment, are recorded at cost and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the difference between the carrying amount of the asset and the fair value of the asset. No impairment has been recognized to date.

(i) Revenue Recognition

On January 1, 2019, the Company adopted ASC 606, Revenue from Contracts with Customers. ASC 606 provides that revenues are to be recognized when control of promised goods or services is transferred to a customer in an amount that reflects the considerations expected to be received for those goods or services. In implementing ASC 606, the Company evaluated all revenue sources using the five-step approach: identify the contract, identify the performance obligations, determine the transaction price, allocate the transaction price, and recognize revenue. For each franchised location, the Company enters into a formal franchise agreement that clearly outlines the various components of the transaction price and the Company's performance obligations.

The Company's revenues consist of initial franchise fees, royalties and marketing contribution fees based on a percentage of gross revenues, equipment sales, and other fees.

Royalties and brand contribution, and other fees

Upon evaluation of the five-step process, the Company has determined that royalties, marketing contribution fees, and other fees are to be recognized in the same period as the underlying sales.

Initial franchise fees

The Company is required to allocate the transaction price associated with initial franchise fees between the franchise license and associated performance obligations. In identifying the associated performance obligations, the Company has elected to adopt the practical expedient for private company franchisors outlined in ASC 952-606, *Franchisors—Revenue from Contracts with Customers*. In addition, the practical expedient allows franchisors to account for pre-opening services as a single distinct performance obligation, which the Company has elected to adopt.

These pre-opening services include the following services (which the Company may or may not provide all of):

- Assistance in the selection of a site
- Assistance in obtaining facilities and preparing the facilities for their intended use, including related financing, architectural, and engineering services, and lease negotiation
- Training of the franchisee's personnel or the franchisee

- Preparation and distribution of manuals and similar material concerning operations, administration, and record keeping
- Bookkeeping, information technology, and advisory services, including setting up the franchisee's records and advising the franchisee about income, real estate, and other taxes or about local regulations affecting the franchisee's business
- Inspection, testing, and other quality control programs

In determining the allocation of transaction price (the initial franchise fee) to either the license or to the pre-opening services, the Company has determined that the standalone selling price of its pre-opening services exceeds the initial franchise fee received; as such, the Company allocates the entire initial franchise fees to those pre-opening services. The franchise fees are then recognized as revenue when those pre-opening services have been completed (which generally occurs upon commencement of the associated franchised location's operations).

Equipment sales

Revenue from equipment sales is recognized when control of the underlying equipment has transferred to the customer, which the Company has determined to be the point of delivery of the associated equipment.

(j) Income Taxes

The Company is structured as a limited liability company under the laws of the state of Florida. Accordingly, the income or loss of the Company will be included in the income tax returns of the member. Therefore, there is no provision for federal and state income taxes.

The Company follows the guidance under Accounting Standards Codification ("ASC") Topic 740, Accounting for Uncertainty in Income Taxes. ASC Topic 740 prescribes a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in the tax return. If taxing authorities were to disallow any tax positions taken by the Company, the additional income taxes, if any, would be imposed on the member rather than the Company. Accordingly, there would be no effect on the Company's financial statements.

The Company's income tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of December 31, 2025, the 2024, 2023, and 2022 tax years are subject to examination.

(k) Advertising Costs

The Company expenses advertising costs as incurred. During the years ended December 31, 2025, 2024, and 2023, the Company incurred advertising expenses of $0, $6,104, and $21,631, respectively.

(l) Financial Instruments

For certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable, franchise receivable, accounts payable, and accrued expenses, the carrying amounts approximate fair value due to their short maturities.

(2) Franchise Receivable

Franchise receivables consists of initial franchise fees owed the company as of year-end, but not yet received. As of December 31, 2025, the balance of $165,000 was related to five franchise agreements signed prior to year-end but not yet collected in full. As of December 31, 2024, the balance of $105,000 was related to three franchise agreements signed prior to year-end but not yet collected. As of December 31, 2023, the balance of $135,000 was related to five franchise agreements signed prior to year-end but not yet collected.

(3) Property and Equipment

As of December 31, 2025, 2024, and 2023, the Company's property and equipment consisted of the following:

	2025	2024	2023
Computer equipment – *3 year useful life*	$ 14,147	$ 14,147	$ 14,147
Less: accumulated depreciation	(14,147)	(12,699)	(6,487)
	$ -	$ 1,448	$ 7,660

Depreciation expense was $1,448, $6,211, and $5,094, for the years ended December 31, 2025, 2024, and 2023, respectively.

(4) Deferred Revenue

The Company's franchise agreements generally provide for a payment of initial fees as well as continuing royalties, technology fees, and marketing fees to the Company based on a percentage of sales. Under the franchise agreement, franchisees are granted the right to operate a location using the Company's system for a period of 10 years. Under the Company's revenue recognition policy, franchise fees and any corresponding commissions are recognized when the franchisee begins operations. For any franchisees that have not yet begun operations as of year-end, the Company defers both the revenues and commissions. All locations that are expected to begin operations within the following year are categorized as current, while all others are classified as non-current.

The Company also defers the revenue and associated equipment expenses for equipment sales that have been made during the year, but for which the equipment has not been delivered.

The Company's deferred contract assets activity is as follows for the years ended December 31:

	2025	2024	2023
Beginning deferred contract assets	$ 297,075	$ 210,075	$ 122,500
Additions	173,450	144,400	143,950
Expenses recognized	(82,725)	(57,400)	(56,375)
Ending deferred contract assets	$ 387,800	$ 297,075	$ 210,075
Deferred contract assets, current	$ 66,800	$ 70,975	$ 210,075
Deferred contract assets, non-current	321,000	226,100	-
	$ 387,800	$ 297,075	$ 210,075

The Company's deferred revenue activity is as follows for the years ended December 31:

	2025	2024	2023
Beginning deferred revenue	$ 2,941,000	$ 2,129,500	$ 1,290,000
Additions	2,059,500	1,398,000	1,439,500
Revenue recognized from beginning deferred revenue	(811,500)	(586,500)	(555,000)
Revenue recognized from contracts executed in the current year	(40,000)	-	(45,000)
Ending deferred revenue	$ 4,149,000	$ 2,941,000	$ 2,129,500
Deferred revenue, current	$ 646,000	$ 701,000	$ 2,129,500
Deferred revenue, non-current	3,503,000	2,240,000	-
	$ 4,149,000	$ 2,941,000	$ 2,129,500

The Company has estimated the following deferred equipment costs and revenues as of December 31, 2025, 2024, and 2023:

	2025	2024	2023
Deferred equipment costs, current	$ 28,416	$ 71,635	$ 45,899
Deferred equipment sales, current	$ 34,160	$ 88,615	$ 54,879

(5) Accrued Expenses

Accrued expenses primarily consist of commitments for equipment sales that the company has sold but has not yet purchased the associated equipment. As of December 31, 2025, 2024, and 2023, the accrued expenses balance was $41,516, $75,335, and $45,899, respectively. The related revenue from the equipment sales has also been deferred until such time as the equipment is delivered.

(6) Commitments and Contingencies

The Company may be subject to various claims, legal actions and complaints arising in the ordinary course of business. In accounting for legal matters and other contingencies, the Company follows the guidance in ASC Topic 450 Contingencies, under which loss contingencies are accounted for based upon the likelihood of incurrence of a liability. If a loss contingency is "probable" and the amount of loss can be reasonably estimated, it is accrued. If a loss contingency is "probable" but the amount of loss cannot be reasonably estimated, disclosure is made. If a loss contingency is "reasonably possible," disclosure is made, including the potential range of loss, if determinable. Loss contingencies that are "remote" are neither accounted for nor disclosed.

In the opinion of management, all matters are of such kind, or involving such amounts of unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

(7) Subsequent Events

Management has reviewed and evaluated subsequent events through April 13, 2026, the date on which the financial statements were issued.

EXHIBIT G

BRAND STANDARDS GUIDE TABLE OF CONTENTS

Guide Section	Number of Pages
Brand Standards	20
Operations & Training	60
Total Number of Pages	80

EXHIBIT H

CURRENT AND FORMER FRANCHISEES

FRANCHISEES WITH OPENED STORES
As of December 31, 2025

State	Franchisee	Store Address
Florida		
	+ Moralta, LLC. Christina Morin & Andrew Peralta 352-708-4620	** 2608 S. US Hwy 27 Ste 200, Clermont, FL 34711
	407-347-5008	**276 West Plant St., Winter Garden, FL 34787
	407-614-5808	**15516 West Colonial Drive, Suite 108, Winter Garden, FL 34787
	689-610-5727	**1795 W Princeton St., Orlando, FL 32804
	++ Brown Beans, LLC. Hardik Shah 407-347-8293	**14393 Bridgewater Crossings Blvd. Suite 100, Windermere, FL 34786
	352-720-5914	** 3224 State Road 44, Mount Dora, FL 32757
	407-412-6704	** 7610 W. Sand Lake Road, Orlando, FL 32819

	(727) 592-1783	**730 4th Street N, St Petersburg, FL 33701
	(813) 999-1689	** 3938 US-301, Riverview, FL 33578
	352-792-6333	** 2851 SW 35th Drive Suite 10, Gainesville, FL 32608
	407-782-2225	** 13721 US Highway 441, Suite 3, Lady Lake, FL 32159
	352-729-2285	** 138 East 5th Avenue, Mount Dora, FL 32757
	352-399-5527	** 2204 Everglades Ln. Wildwood, FL 34785
	904-217-0213	** 160 King St., St. Augustine, FL 32084
	321-425-5015	** 7500 Lake Andrew Dr. Suite 101 Viera, FL 32940
	352-915-9113	** 272 Buena Vista Blvd, The Villages, FL 32162
	904-484-7395	** 50 Silver Forest Drive, Suite 109 St. Augustine, FL 32092
	813-475-5019	** 2332 Gunn Highway, Odessa, FL 33556

	352-792-6202	* 309 NW 13th St Suite 90, Gainesville, FL 32601
	++ QAHWA, LLC. Jay Nyrabeah 407-286-1569	** 13651 Hunters Oak Drive, Suite 101, Orlando, FL 32837 *** 6059 W Irlo Bronson Memorial Hwy Kissimmee, FL 34747
	++ Clagwiler Holdings, LLC. Doug Tutwiler& Ty Claggett 904-834-7290 904-379-2364 904-559-9128 448-230-2356 904-468-5098 904-746-7014	** 260 Front Street, Suite 620, Ponte Vedra Beach, FL 32082 ** 2039 Hendricks Ave. Unit114, Jacksonville, FL. 32207 ** 7570 Gate Parkway, Unit 106A, Jacksonville, FL 32256 ** 1327 South Monroe Street, Unit 103, Tallahassee, FL 32301 * 75980 William Burgess Boulevard, Unit #4, Yulee, Florida 32097

	904-373-0432 904-802-0214 904-660-2744	* 300 Beach Blvd., Jacksonville Beach, FL 32250 * 3791 Palm Valley Road, Unit 201, Ponte Vedra Beach, FL 32082 *1195 Edgewood Ave S. Suite 30. Jacksonville, FL 32205 *10601 San Jose Blvd unit 405, Jacksonville, FL 32257
	++ Foxy Brew Holdings, LLC. Scott & Diana Willis 239-351-2270 239-471-7641	** 2700 Immokalee Road, Unit#1, Naples, FL 34110 ** 2494 Liberty Park Dr. #101, Cape Coral, FL 33909 *** 3605 Cleveland Ave suite 130, Fort Myers, FL 33901
	++ Foxy One, LLC. Adrian Lojo 813-374-3422 813-374-3141	** 10821 N Dale Mabry Hwy, Tampa, FL 33618 ** 7021 E. Fletcher Avenue, Suite 103, Temple Terrace, FL 33637

		*** 468 Quay Commons, suite G, Sarasota, FL 34236
	+ My First Coffee House, LLC. Gail Schickedanz 352-508-5266	* 315 New Hampshire Ave., Tavares. FL 32778
	++ Bella Grazia Ventures, LLC. Jesse Davis 704-777-0833 386-492-7825 941-584-5370 386-868-5867	** 70 S Atlantic Ave, Cocoa Beach, FL 32931 ** 330 N Nova Rd, Ormond Beach, FL 32174 ** 19795 Wellen Park Blvd., Suite A, Venice, FL 34293 ** 260 Daytona Blvd, Daytona Beach, FL 32114
	+M&M Family Ventures LLC Wendell Medeiros & Petty Sales de Moraes 407-669-7720	** 7000 Dr. Phillips Blvd, Orlando, FL 32918
	++ Good Day Holdings, LLC. Gregory Roberts 941-371-3699	** 315 N Cattlemen Rd, Sarasota, FL 34235
	+ Wrxker Investments, LLC. Javed Deen 407-663-8699	** 12001 Collegiate Way, Orlando, FL 32817
	++ Nanas Coffee Shop, LLC. Elvira Quilit & Scott Hannum 321-972-1630 321-765-4067	** 385 S US Hwy 17-92, Longwood, FL 32750 * 158 Tuskawilla Rd, Winter Springs, FL 32708

	+ BCDSMA, LLC. Brianna Riscossa 727-332-3598	** 13501 Icot Blvd., Suite # 107, Clearwater, FL 33760.
	+ Skalder Projects 1, LLC. Brian & Shanna Tvenstrup 813-523-8411	** 12350 S. US Hwy 301, Unit 108, Riverview FL 33578
	++Barista & Sommelier, LLC. Antonio Matta & Yari Gonzalez 941-279-0248	* 11687 Moccasin Wallow Road, Bldg. #3, Unit 101, Parrish, FL 34219
	++ CND Concepts, LLC. Nick DiPasqua, Dominique DiPasqua Layden, & Curt DiPasqua 407-310-1905	* 400 Legacy Village Drive, Davenport FL 33896 *** 1385 South State Road 7, Suite #105 Wellington, FL 33434 *** 5183 N Wickham Rd, Suite 101 Melbourne, FL 32940
	++ The Ritchey Group, LLC. Wendy, Keegan, & Velocity Ritchey 386-624-8115	* 4075 S. Ridgewood Avenue Unit 101, Port Orange, FL 32127
	+ Mahant 12, LLC Pragnesh & Tina Patel 386-318-3341	* 3817 Clyde Morris Blvd, Port Orange, FL 32129
	++ Casenave Medical Group LLC Alejandro & Natalie De Orduna 407-230-4410	* 322 Kathleen Road, Lakeland, FL 33815
	+ Next Rise Ventures, LLC Nick Recine 914-557-8106	* 2425 West SR 434, Suite 191, Longwood, Florida 32779
	++Orlando Investments Group, LLC George Colev 407-203-5181	* 12226 Corporate Blvd, #100, Orlando, FL 32817

		*** 1200 E 7th Ave, Tampa, FL 33605 *** 6195 Milestone Drive, Apollo Beach, FL 33572 *** 208 E 7th Street, Tampa, FL 33602 ***4th Street SW & W Bay Drive Suite 110, Largo, FL 33770
Georgia		
	++ Mike & Marie, INC. John Wylie 678-673-6427 678-378-6752 470-788-8006 470-414-1158	** 160 Glenda Trace, Newnan, GA 30265 ** 2713 W. HWY 54 Ste B Peachtree City, GA. 30269 **1230 W Peachtree St NW, Suite 120 Atlanta, GA 30309 * 12 Jefferson Street suite A, Newnan, GA, 30263
	++ FXBUCKHEAD, LLC Hardik Shah 404-254-2040 ++ FX Athens, LLC Hardik Shah 706-215-9557	** 3699 Lenox Road Suite 1, Atlanta, GA 30305 * 357 W. Hancock Avenue, Athens GA 30601
	++ THJ Ventures, LLC. Tracey Jones 912-495-5223	* 601 Indian Street Unit A, Savannah, GA 31401

	++ALSOS, LLC Michael Connolly 678-358-4320	* 811 Peachtree Street NE Unit 5, Atlanta, Georgia 30308
Michigan		
	++ Michigan Coffee Crew, LLC. Loren Crandell 616-369-1975 616-369-2081 616-369-2039 616-369-2005 616-369-2005 616-369-7230	** 7399 River Street, Ada, Michigan 49301 ** 57 E 8th Street, Holland, MI 49423 ** 325 84th Street SW, Byron Center, MI 49315 * 1200 Wealthy St SE, Grand Rapids, MI 49506 * 4389 Chicago Drive Grandville, MI 49418 * 1144 East Paris Ave, Grand Rapids, MI 49546
Nevada		
	++ Jay Maharaj, LLC Hardik Shah 702-749-3117 725-205-0726	** 9450 W Russell Road, Suite 101, Las Vegas, NV 89148 ** 1990 Village Center Circle. Suite 1, Las Vegas, Nevada 89134
North Carolina		
	++ Foxtail Store 1201, LLC Brad Jones 919-267-4310	* 76 Hunter Street, Suite 112, Apex, NC 27502
Virginia		

	++ Lloyd's Lluscious Llibations, LLC. Maggie Martin & Gardner Lloyd 804-200-4905 804-893-3781	** 2240 Old Brick Road, Suite A1, Glen Allen, VA 23060 * 1500 Ewing Park Loop, Midlothian, VA 23113

FRANCHISEES WITHOUT OPENED STORES
As of December 31, 2025

State	Franchisee	Store Address
Alabama		
	++ Lee Coffee Company Kang Lee 256-334-0153	*** 320 West Magnolia Avenue, Auburn, AL, 36832
Arizona		
	+ GNL Coffee, LLC Geoffrey & Nancy Allen 928-213-6919	***1061 South Plaza Way, Flagstaff, AZ 86001
Georgia		
	++ Crafted Beans Inc. Harshil Patel 213-321-6506	*** 4531 Olde Perimeter Way, Atlanta, GA, 30346
	++ Foxtail Coffee Decatur, LLC Neal Freeman, Brian Harper, Ryan Duncan 404-996-3373	*** 101 West Ponce de Leon Avenue, Suite #110-AX, Decatur GA 30030
	++ REH TwoSaints, LLC Regine Bonneau 954-330-6015	*** 2202 Marietta Blvd. NW Atlanta, GA. 30318
	++ Awesome Trading LLC Mohmadbilal Sabusa, Ali Momin, Abrarali Momin 678-907-8168	*** 675 West Peachtree Street Atlanta, Georgia 30308
	++1820 Coffee GA, LLC Kenneth Taylor 407-912-5759	TBD - Georgia
Florida		
	++ 286 Investment Group, LLC. Cristobal Pierluissi & Mariana Ribas 407-864-7147	*** 45670 Hwy 27, Davenport, FL 33897
	++ David & David Company Corp. Ender Inciarte 786-778-4777	TBD, Florida

	++ Foxtail Coffee Holding, LLC Spencer & Tirzah Elliott 407-766-4670	*** 7813 Orange Ave Suite 132, Orlando, FL 32809 *** 5641 Raleigh Street, Suite TBD, Orlando, FL 32811
	++ Foxtail SWFL LLC Mark Tharp II 863-840-2722	*** 1200 Tamiami Trail, Osprey, FL 34229
	+ ABI Enterprise LLC Ali & Bilal Saifi 813-954-0487	*** 6950 22nd Ave N St. Petersburg FL 33710
	+ Coffee & Butterflies LLC Solomon Francois & Marcella Smith 386-848-0883	***8085 Red Bug Lake Road Suite 121, Oviedo, Florida 32765
	+Italian Coffee US, LLC Rodrigo Basso 407-925-8399	***17075 Porter Rd, Winter Garden, FL 34787
	++Tribal Grounds, LLC Blaine Flynn 850-393-2261	*** 500 W Jackson St, Pensacola, FL 32501
	++Hosneara and Noor, Inc Saif Ullah	*** 58 4th Street NW, Winter Haven, FL 33881 *** 256 E Main St, Apopka, FL 32703
	+Tra-Ben Holdings LLC Abdelkader Trabelsi & Ouadhah Ben Rhouma 407-844-6337	*** 451 E Altamonte Dr Suite 2165, Altamonte Springs, FL 32701
	++1820 Coffee FL, LLC Kenneth Taylor 407-912-5759	*** 3201 34th Street South St. Petersburg, FL 33711
	+South Florida Fox Brew LLC Robbie Geibel	TBD – Florida

	++RMG1, LLC George Rodgers III	TBD – Florida
Maryland		
	+Keshav Krupa LLC Karan & Shanvi Patel 301-974-1009	***950 East Pontaluna Road, Norton Shores, Michigan 49444
South Carolina		
	++Foxtail Coffee Greenville LLC Neal Freeman, Brian Harper, & Ryan Duncan	TBD – South Carolina
Texas		
	+LEAD Enterprise, LLC Lauren & Doug Presley	***149 Bulbine Drive, Suite 160, Leander, Texas 78641
	+CNLC Cafe Co. Carl & Nicole McKenney	TBD – Open Texas
	++Deep Oak Roots LLC Jake & Alyssa Moore	TBD – Texas
	++ZC Coffee Group, LLC Julie Truax & Jim Dunn	TBD - Texas
Virginia		
	Reddys Cafe, LLC Padmavathy Kankanala, Vishnupriya Avireddy, & Mounika Mamidi	TBD – Virginia

* Coffee Shop open and operating as of Dec. 31, 2025
** Coffee Shop opened on or before 2024
*** Coffee Shop under construction
+ Franchisees who have entered into a Franchise Agreement to develop one unit
++ Multi Unit Operators who have entered into a Development Agreement to develop more than one unit

Former Franchisees

Name, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the disclosure document issuance date:

State	Franchisee	Phone Number	Reason
Florida			
	Brown Beans, LLC. Hardik Shah 10157 W. Colonial Dr., Suite B, Ocoee, FL 34761	407-412-6628	Ceased Operations at this location
	Java Grinds 1, LLC. Beth Lim 7531 N. Federal Highway E-1, Boca Raton, FL 33487 1700 NE 23rd Street Suite 105, Pompano Beach, FL 33062 244 SE 5th Ave, Delray Beach, FL 33483	561-409-0010	Transferred Transferred Transferred Transferred
	+ SB Lifestyle & Design, LLC. Sarah Beck ** 7000 Dr. Phillips Blvd, Orlando, FL 32918	407-723-0011	Transferred
	++ H&R Franchising Company Robert & Hedy Chambers	561-757-3931	Transferred

	** 8210 Glades Road, Unit 420, Boca Raton, FL 33434		
	+ SFSHAH, LLC. Shiv & Forum Shah	407-674-7369	Transferred
	++ Foxtail Store 1048, LLC. Saad Alam * 360 E. Horatio Ave. - Suite 400, Maitland, FL 32751	321-972-3339	Transferred

EXHIBIT I

STATE ADDENDA TO DISCLOSURE DOCUMENT

CALIFORNIA ADDENDUM TO DISCLOSURE DOCUMENT

California Corporations Code, Section 31125 requires the franchisor to give the franchisee a disclosure document, approved by the Department Of Business Oversight, prior to a solicitation of a proposed material modification of an existing franchise.

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

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www.dbo.ca.gov.

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF CALIFORNIA. SUCH REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF BUSINESS OVERSIGHT NOR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

ALL THE OWNERS OF THE FRANCHISE WILL BE REQUIRED TO EXECUTE PERSONAL GUARANTEES. THIS REQUIREMENT PLACES THE MARITAL ASSETS OF THE SPOUSES DOMICILED IN COMMUNITY PROPERTY STATES – ARIZONA, CALIFORNIA, IDAHO, LOUISIANA, NEVADA, NEW MEXICO, TEXAS, WASHINGTON AND WISCONSIN AT risk IF YOUR FRANCHISE FAILS.

1. The following paragraph is added to the end of Item 3 of the Disclosure Document:

> Neither franchisor nor any person or franchise broker 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 such persons from membership in that association or exchange.

2. The following paragraph is added to the end of Item 6 of the Disclosure Document:

With respect to the Late Fee described in Item 6, this Item is amended to disclose that the maximum rate of interest permitted under California law is 10%.

3. The following paragraphs are added at the end of Item 17 of the Disclosure Document:

The Franchise Agreement requires franchisee to sign a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring a franchise to waive compliance with any provision of that law or any rule or order thereunder is void.

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

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

The Franchise 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 Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The Franchise Agreement requires binding arbitration. The arbitration will occur in Orlando, Florida, with the costs being borne equally by Franchisor and Franchisee. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The Franchise Agreement requires application of the laws of Florida. This provision may not be enforceable under California law.

4. 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.

HAWAII ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Hawaii only, this Disclosure Document is amended as follows:

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

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

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

Registered agent in the state authorized to receive service of process:

Commissioner of Securities
335 Merchant Street
Honolulu, Hawaii 96813

Registration of franchises or filings of offering circulars in other states. As of the date of filing of this Addendum in the State of Hawaii:

1. A franchise registration is effective, or an offering circular is on file in the following states: _____

2. A proposed registration or filing is or will be shortly on file in the following states: _____

3. No states have refused, by order or otherwise to register these franchises.

4. No states have revoked or suspended the right to offer these franchises.

5. The proposed registration of these franchises has not been withdrawn in any state.

ILLINOIS ADDENDUM TO DISCLOSURE DOCUMENT

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, as amended (the "Act"), this Disclosure Document is amended as follows:

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Act provides that any provision in a franchise agreement that designates jurisdiction of venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Act provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Act or any other law of Illinois is void.

Your rights upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Act.

MARYLAND ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Maryland only, this Disclosure Document is amended as follows:

The following is added to Item 5:

> Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the multi-unit development agreement opens.

The following is added to Item 17:

> The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
>
> Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
>
> You have the right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.
>
> The Franchise Agreement provides for termination upon bankruptcy of the franchisee. This provision may not be enforceable under federal bankruptcy law.

This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

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.

MINNESOTA ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Minnesota only, this Disclosure Document is amended as follows:

- Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

- With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

- Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statues, Section 80C.12, Subd. 1(g).

- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

- The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5, which states "No action may be commenced pursuant to this Section more than three years after the cause of action accrues."

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

NEW YORK ADDENDUM TO DISCLOSURE DOCUMENT

In the State of New York only, this Disclosure Document is amended as follows:

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

> INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY ST. 21ST FLOOR, NEW YORK, NY 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

> Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:
>
> A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.
>
> B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
>
> C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application

for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

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

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the

General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the "Summary" section of Item 17(d), titled "Termination by franchisee":

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

7. The following is added to the end of the "Summary" section of Item 17(j), titled "Assignment of contract by franchisor":

   However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

8. The following is added to the end of the "Summary" sections of Item 17(v), titled "Choice of forum", and Item 17(w), titled "Choice of law": The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

9. The following is added to the end of Item 19:

REPRESENTATIONS REGARDING EARNINGS CAPABILITY

FOXTAIL COFFEE FRANCHISE CO., LLC., DOES NOT FURNISH OR AUTHORIZE ITS SALESPERSONS TO FURNISH ANY ORAL OR WRITTEN INFORMATION CONCERNING THE ACTUAL OR POTENTIAL SALES, COSTS, INCOME OR PROFITS OF A FRANCHISE. ACTUAL RESULTS VARY FROM UNIT TO UNIT AND FOXTAIL COFFEE FRANCHISE CO., LLC., CANNOT ESTIMATE THE EARNINGS OF ANY PARTICULAR FRANCHISE.

NORTH DAKOTA ADDENDUM TO DISCLOSURE DOCUMENT

In the State of North Dakota only, this Disclosure Document is amended as follows:

THE SECURITIES COMMISSIONER HAS HELD THE FOLLOWING TO BE UNFAIR, UNJUST OR INEQUITABLE TO NORTH DAKOTA FRANCHISEES (NDCC SECTION 51-19-09):

1. Restrictive Covenants: Franchise disclosure documents that disclose the existence of covenants restricting competition contrary to NDCC Section 9-08-06, without further disclosing that such covenants will be subject to the statute.

2. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business.

3. Restrictions on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

4. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

5. Applicable Laws: Franchise agreements that specify that they are to be governed by the laws of a state other than North Dakota.

6. Waiver of Trial by Jury: Requiring North Dakota Franchises to consent to the waiver of a trial by jury.

7. Waiver of Exemplary and Punitive Damages: Requiring North Dakota Franchisees to consent to a waiver of exemplary and punitive damage.

8. General Release: Franchise Agreements that require the franchisee to sign a general release upon renewal of the franchise agreement.

9. Limitation of Claims: Franchise Agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

10. Enforcement of Agreement: Franchise Agreements that require the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney’s fees.

RHODE ISLAND ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Rhode Island only, this Disclosure Document is amended as follows:

Item 17, summary columns for (v) and (w) are amended to add the following:

> Any provision in the franchise agreement restricting jurisdiction or venue to a forum outside Rhode Island or requiring the application of the laws of a state other than Rhode Island is void as to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

VIRGINIA ADDENDUM TO DISCLOSURE DOCUMENT

The Disclosure Document is amended as follows:

1. Under subsection D of § 13.1-559 of the Virginia Retail Franchising Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to the terms of this chapter shall be governed by the laws of the Commonwealth of Virginia. Any provision of the Franchise Agreement that designates a different governing law shall not apply to franchisees located in Virginia.

2. To the extent that any provision of the Franchise Agreement or the Franchise Disclosure Document conflicts with the Virginia Retail Franchising Act, § 13.1-557 et seq. of the Code of Virginia, the requirements of the Act shall control. These amendments are effective for all franchise agreements offered or entered into on or after July 1, 2026.

3. Any references in Items 5 and 17 of the Disclosure Document which provide that the Franchise Agreement may be terminated for any reason are in violation of Section 13.1-564 of the Virginia Retail Franchising Act and are unenforceable.

4. The following statements are added to Item 17(h): Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement do not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable. Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to the franchisee under the franchise, that provision may not be enforceable.

5. The following statements are added to Item 17(r): Under subdivision A 4 of § 13.1-563 of the Virginia Retail Franchising Act ("Act"), it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. Any post-termination or post-expiration covenant not to compete or similar restriction contained in the Franchise Agreement shall not apply to franchisees located in Virginia to the extent such restriction prohibits the franchisee from engaging in the business of offering, selling, or distributing goods or services at retail.

6. The following statement is added to Item 17(w): Notwithstanding the foregoing, subsection B of § 13.1-563 of the Act provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale.

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

8. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (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.

9. The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

VIRGINIA ADDENDUM TO FRANCHISE AGREEMENT

This ADDENDUM to Franchise Agreement (this "Addendum") dated _____, is intended to be a part of, and by this reference is incorporated into that certain Franchise Agreement (the "Franchise Agreement") dated _____, by and between Foxtail Coffee Franchise Co., LLC., as franchisor ("Franchisor") and _____, as franchisee ("Franchisee"). Where and to the extent that any of the provisions of this Addendum are contrary to, in conflict with or inconsistent with any provision contained in the Franchise Agreement, the provisions contained in this Addendum shall control. Defined terms contained in the Franchise Agreement shall have the identical meanings in this Addendum.

The undersigned hereby acknowledge and agree that:

1. Any references in the Franchise Agreement which provide that the Franchise Agreement may be terminated for any reason are in violation of Section 13.1-564 of the Virginia Retail Franchising Act and are unenforceable.

2. 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.

3. In the event of any conflict between the terms of this Addendum and the terms of the Franchise Agreement, the terms of this Addendum shall prevail.

4. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Virginia Retail Franchising Act are met independently without reference to this Addendum.

5. Under subsection D of § 13.1-559 of the Virginia Retail Franchising Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to the terms of this chapter shall be governed by the laws of the Commonwealth of Virginia. Any provision of the Franchise Agreement that designates a different governing law shall not apply to franchisees located in Virginia.

6. Under subdivision A 4 of § 13.1-563 of the Virginia Retail Franchising Act ("Act"), it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. Any post-termination or post-expiration covenant not to compete or similar restriction contained in the Franchise Agreement shall not apply to franchisees located in Virginia to the extent such restriction prohibits the franchisee from engaging in the business of offering, selling, or distributing goods or services at retail.

7. Notwithstanding the foregoing, subsection B of § 13.1-563 of the Act provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale.

8. To the extent that any provision of the Franchise Agreement or the Franchise Disclosure Document conflicts with the Virginia Retail Franchising Act, § 13.1-557 et seq. of the Code of Virginia, the requirements of the Act shall control. These amendments are effective for all franchise agreements offered or entered into on or after July 1, 2026.

[Signatures on the following page]

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

FRANCHISOR:	FRANCHISEE:
Foxtail Coffee Franchise Co., LLC.	_____,
By: _____	A/An _____
Name: _____	By: _____
Its: _____	Name: _____
	Its: _____

INDIVIDUAL(S) WITH OWNERSHIP INTEREST IN FRANCHISEE:

By:_____	By:_____
Name:_____	Name:_____
By:_____	By:_____
Name:_____	Name:_____

WASHINGTON ADDENDUM TO DISCLOSURE DOCUMENT

(See Exhibit J for Washington Addendum to Disclosure Document and Rider to Franchise Agreement)

EXHIBIT J

STATE ADDENDA TO AGREEMENTS

ILLINOIS RIDER TO FRANCHISE AGREEMENT AND MULTI-UNIT DEVELOPMENT AGREEMENT

This Rider amends the _____ Agreement dated _____ (the "Agreement"), between Foxtail Coffee Franchise Co., LLC., a Florida limited liability company ("Foxtail Coffee Franchising") and _____, a _____ _____ ("Franchisee").

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The "Illinois Act" means the Illinois Franchise Disclosure Act of 1987.

2. Governing Law and Jurisdiction. Notwithstanding any provision of the Agreement to the contrary, the Agreement is governed by Illinois law. The parties irrevocably submit to the jurisdiction and venue of the federal and state courts in Illinois, except for matters which the Agreement provides will be resolved by arbitration.

3. Limitation of Claims. No action can be maintained to enforce any liability created by the Illinois Act unless brought before the expiration of 3 years from the act or transaction constituting the violation upon which it is based, the expiration of 1 year after Franchisee become aware of facts or circumstances reasonably indicating that Franchisee may have a claim for relief in respect to conduct governed by the Illinois Act, or 90 days after delivery to the Franchisee of a written notice disclosing the violation, whichever shall first expire.

4. Waivers Void. Notwithstanding any provision of the Agreement to the contrary, any condition, stipulation, or provision purporting to bind Franchisee to waive compliance with any provision of the Illinois Act or any other law of the State of Illinois is void. This Section shall not prevent Franchisee from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

5. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

_____

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISOR:

FOXTAIL COFFEE FRANCHISE CO., LLC.

By: _____
Name: _____
Title: _____
Date: _____

INDIANA RIDER TO FRANCHISE AGREEMENT AND MULTI-UNIT DEVELOPMENT AGREEMENT

This Rider amends the _____ Agreement dated _____ (the "Agreement"), between Foxtail Coffee Franchise Co., LLC., a Florida limited liability company ("Foxtail Coffee Franchising") and _____, a _____ _____ ("Franchisee").

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The "Indiana Acts" means the Indiana Franchise Act and the Indiana Deceptive Franchise Practices Act.

2. Certain Provisions Modified. Any provision of the Agreement which would have any of the following effects is hereby modified to the extent required for the Agreement to be in compliance with the Indiana Acts:

(1) Requiring goods, supplies, inventories, or services to be purchased exclusively from the franchisor or sources designated by the franchisor where such goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by the franchisor. However, the publication by the franchisor of a list of approved suppliers of goods, supplies, inventories, or services or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by the franchisor does not constitute designation of a source nor does a reasonable right of the franchisor to disapprove a supplier constitute a designation. This subdivision does not apply to the principal goods, supplies, inventories, or services manufactured or trademarked by the franchisor.

(2) Allowing the franchisor to establish a franchisor-owned outlet engaged in a substantially identical business to that of the franchisee within the exclusive territory granted the franchisee by the franchise agreement; or, if no exclusive territory is designated, permitting the franchisor to compete unfairly with the franchisee within a reasonable area.

(3) Allowing substantial modification of the franchise agreement by the franchisor without the consent in writing of the franchisee.

(4) Allowing the franchisor to obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee.

(5) Requiring the franchisee to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed by the Indiana Deceptive Franchise Practices Act or requiring any controversy between the franchisee and the franchisor to be referred to any person, if referral would be binding on the franchisee. This subsection (5) does not apply to arbitration before an independent arbitrator.

(6) Allowing for an increase in prices of goods provided by the franchisor which the franchisee had ordered for private retail consumers prior to the franchisee's receipt of an official price increase notification. A sales contract signed by a private retail consumer shall constitute evidence of each order. Price changes applicable to new models of a product at the time of introduction of such new models shall not be considered a price increase. Price increases caused by conformity to a state or federal law, or the revaluation of the United States dollar in the case of foreign-made goods, are not subject to this subsection (6).

(7) Permitting unilateral termination of the franchise if such termination is without good cause or in bad faith. Good cause within the meaning of this subsection (7) includes any material violation of the franchise agreement.

(8) Permitting the franchisor to fail to renew a franchise without good cause or in bad faith. This chapter shall not prohibit a franchise agreement from providing that the agreement is not renewable upon expiration or that the agreement is renewable if the franchisee meets certain conditions specified in the agreement.

(9) Requiring a franchisee to covenant not to compete with the franchisor for a period longer than three years or in an area greater than the exclusive area granted by the franchise agreement or, in absence of such a provision in the agreement, an area of reasonable size, upon termination of or failure to renew the franchise.

(10) Limiting litigation brought for breach of the agreement in any manner whatsoever.

(11) Requiring the franchisee to participate in any (A) advertising campaign or contest; (B) promotional campaign; (C) promotional materials; or (D) display decorations or materials; at an expense to the franchisee that is indeterminate, determined by a third party, or determined by a formula, unless the franchise agreement specifies the maximum percentage of gross monthly sales or the maximum absolute sum that the franchisee may be required to pay.

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

_____

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISOR:
FOXTAIL COFFEE FRANCHISE CO., LLC.

By: _____
Name: _____
Title: _____
Date: _____

MARYLAND RIDER TO FRANCHISE AGREEMENT AND MULTI-UNIT DEVELOPMENT AGREEMENT

This Rider amends the Franchisee Agreement and Multi-Unit Development Agreement dated _____ _____ (the "Agreement"), between Foxtail Coffee Franchise Co., LLC., a Florida limited liability company ("Foxtail Coffee Franchising") and _____, a _____ _____ ("Franchisee").

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The "Maryland Franchise Law" means the Maryland Franchise Registration and Disclosure Law, Business Regulation Article, §14-206, Annotated Code of Maryland.

2. Financial Assurance. Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the multi-unit development agreement opens.

3. Releases, Estoppels and Waivers of Liability. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Law.

4. Statute of Limitations. Any provision of the Agreement which provides for a period of limitations for causes of action shall not apply to causes of action under the Maryland Franchise Law, Business Regulation Article, §14-227, Annotated Code of Maryland. Franchisee must bring an action under such law within three years after the grant of the franchise.

5. Jurisdiction. Franchisee does not waive its right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.

6. Pursuant to COMAR 02.02.08.16L, the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

7. This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require

a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

8. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (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.

9. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:	FRANCHISOR:
_____	FOXTAIL COFFEE FRANCHISE CO., LLC.
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

MINNESOTA RIDER TO FRANCHISE AGREEMENT AND MULTI-UNIT DEVELOPMENT AGREEMENT

This Rider amends the _____ Agreement dated _____ (the "Agreement"), between Foxtail Coffee Franchise Co., LLC., a Florida limited liability company ("Foxtail Coffee Franchising") and _____, a _____ _____ ("Franchisee").

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The "Minnesota Act" means Minnesota Statutes, Sections 80C.01 to 80C.22.

2. Amendments. The Agreement is amended to comply with the following:

Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statues, Section 80C.12, Subd. 1(g).

Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5, and therefore the applicable provision of the Agreement is amended to state "No action may be commenced pursuant to Minnesota Statutes, Section 80C.17 more than three years after the cause of action accrues."

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:	FRANCHISOR:
_____	FOXTAIL COFFEE FRANCHISE CO., LLC.
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

NEW YORK RIDER TO FRANCHISE AGREEMENT AND MULTI-UNIT DEVELOPMENT AGREEMENT

This Rider amends the _____ Agreement dated _____ (the "Agreement"), between Foxtail Coffee Franchise Co, LLC, a Florida limited liability company ("Foxtail Coffee Franchising") and _____, a _____ _____ ("Franchisee").

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Waivers Not Required. Notwithstanding any provision of the Agreement to the contrary, Franchisee is not required to assent to a release, assignment, novation, waiver or estoppel which would relieve Foxtail Coffee Franchising or any other person from any duty or liability imposed by New York General Business Law, Article 33.

3. Waivers of New York Law Deleted. Any condition, stipulation, or provision in the Agreement purporting to bind Franchisee to waive compliance by Foxtail Coffee Franchise Co., LLC with any provision of New York General Business Law, or any rule promulgated thereunder, is hereby deleted.

4. Governing Law. Notwithstanding any provision of the Agreement to the contrary, the New York Franchises Law shall govern any claim arising under that law.

5. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:	FRANCHISOR:
_____	FOXTAIL COFFEE FRANCHISE CO., LLC.
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

NORTH DAKOTA RIDER TO FRANCHISE AGREEMENT AND MULTI-UNIT DEVELOPMENT AGREEMENT

This Rider amends the _____ Agreement dated _____ (the "Agreement"), between Foxtail Coffee Franchise Co., LLC., a Florida limited liability company ("Foxtail Coffee Franchising") and _____, a _____ _____ ("Franchisee").

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Amendments. The Agreement (and any Guaranty Agreement) is amended to comply with the following:

(1) Restrictive Covenants: Every contract by which Franchisee, any Guarantor, or any other person is restrained from exercising a lawful profession, trade, or business of any kind is subject to NDCC Section 9-08-06.

(2) Situs of Arbitration Proceedings: Franchisee and any Guarantor are not required to agree to the arbitration of disputes at a location that is remote from the site of Franchisee's business.

(3) Restrictions on Forum: Franchisee and any Guarantor are not required to consent to the jurisdiction of courts outside of North Dakota.

(4) Liquidated Damages and Termination Penalties: Franchisee is not required to consent to liquidated damages or termination penalties.

(5) Applicable Laws: The Agreement (and any Guaranty Agreement) is governed by the laws of the State of North Dakota.

(6) Waiver of Trial by Jury: Franchisee and any Guarantor do not waive a trial by jury.

(7) Waiver of Exemplary and Punitive Damages: The parties do not waive exemplary and punitive damages.

(8) General Release: Franchisee and any Guarantor are not required to sign a general release upon renewal of the Agreement.

(9) Limitation of Claims: Franchisee is not required to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

(10) Enforcement of Agreement: The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:	FRANCHISOR:
_____	FOXTAIL COFFEE FRANCHISE CO., LLC.
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

RHODE ISLAND RIDER TO FRANCHISE AGREEMENT AND MULTI-UNIT DEVELOPMENT AGREEMENT

This Rider amends the _____ Agreement dated _____ (the "Agreement"), between Foxtail Coffee Franchise Co., LLC., a Florida limited liability company ("Foxtail Coffee Franchising") and _____, a _____ _____ ("Franchisee").

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Jurisdiction and Venue. Any provision of the Agreement restricting jurisdiction or venue to a forum outside the State of Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under Rhode Island Franchise Investment Act.

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:	FRANCHISOR:
_____	FOXTAIL COFFEE FRANCHISE CO., LLC.
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

WASHINGTON ADDENDUM TO DISCLOSURE DOCUMENT
AND
FRANCHISE AGREEMENT AND MULTI-UNIT DEVELOPMENT AGREEMENT

The state of Washington has a statute, RCW 19.100.180 which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitation period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Agreed to by:

FRANCHISEE:	FRANCHISOR:
_____	FOXTAIL COFFEE FRANCHISE CO., LLC.
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

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

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

RECEIPT OF FRANCHISE DISCLOSURE DOCUMENT

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

If Foxtail Coffee Franchise Co., LLC., offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that you be given this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

If Foxtail Coffee Franchise Co., 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, D.C. 20580 and any applicable state agency (which are listed in Exhibit A).

The franchisor is Foxtail Coffee Franchise Co., LLC., located at 1801 Lee Road, Suite 301, Winter Park, FL 32789. Its telephone number is 407-951-7931.

The name, principal business address, and telephone number of each franchise seller offering the franchise is:

Name	Principal Business Address	Telephone Number
Alex Tchekmeian	1801 Lee Road, Suite 301, Winter Park, FL 32789	407-951-7931
William Scott Callahan	1801 Lee Road, Suite 301, Winter Park, FL 32789	407-951-7931

Issuance Date: April 29, 2026

I received a disclosure document dated April 29, 2026 that included the following Exhibits:

A. State Administrators and Agents for Service of Process
B. Franchise Agreement (with Guaranty and Non-Compete Agreement)
C. Multi-Unit Development Agreement

D. Rider to Lease Agreement
E. Form of General Release
F. Financial Statements
G. Brand Standards Guide Table of Contents
H. Current and Former Franchisees
I. State Addenda to Disclosure Document
J. State Addenda to Agreements

Signature: _____

Print Name: _____

Date Received: _____

RECEIPT OF FRANCHISE DISCLOSURE DOCUMENT

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

If Foxtail Coffee Franchise Co., LLC., offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that you be given this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

If Foxtail Coffee Franchise Co., 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, D.C. 20580 and any applicable state agency (which are listed in Exhibit A).

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Name	Principal Business Address	Telephone Number
Alex Tchekmeian	1801 Lee Road, Suite 301, Winter Park, FL 32789	407-951-7931
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E. Form of General Release
F. Financial Statements
G. Brand Standards Guide Table of Contents
H. Current and Former Franchisees
I. State Addenda to Disclosure Document
J. State Addenda to Agreements

Signature: _____

Print Name: _____

Date Received: _____