IT'S BOBA TIME

it's boba time®
SMOOTHIE • COFFEE • SHAVED ICE
since 2003

FRANCHISE DISCLOSURE DOCUMENT

FRANCHISE DISCLOSURE DOCUMENT

BOBA TIME, INC.
701 S. Vermont Ave.
Los Angeles, CA 90005
(213) 251-0001
www.itsbobatime.com

We offer franchises for the operation of "It's Boba Time" snack and dessert shops offering smoothies, snacks, desserts and beverages on a dine-in and take-out service in high volume retail centers and other high traffic commercial locations throughout the United States.

The total estimated investment necessary to begin operation of an It's Boba Time franchise ranges from $251,842 to $411,300. This includes the franchise fee of $35,000 that must be paid to us, the Franchisor. In the case of an area developer, the development fee to be paid to the Franchisor is equal to $35,000 for the first restaurant to be developed plus $12,500 for each additional restaurant to be developed under the Area Development Agreement. The development fee is applied pro rata to the initial franchise fees due for each restaurant to be developed after the first. Your estimated initial investment will vary based on the number of restaurants to be developed.

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, contact It's Boba Time, Inc. at the address and telephone number provided in this page.

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.

Date of Issuance: April 11, 2019

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit 1 for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN CALIFORNIA. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE.

2. THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

3. FOR A SINGLE UNIT FRANCHISE, 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.

4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: __________

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IT'S BOBA TIME
FRANCHISE DISCLOSURE DOCUMENT

ITEM 1
THE FRANCHISOR, ITS PREDECESSORS AND AFFILIATES

To simplify the language in this Disclosure Document, "we" or "us" means It's Boba Time, Inc., the Franchisor. "You" means the person that buys the franchise. If the franchisee is a corporation, partnership or other entity, "you" also may mean its owners.

We are a California corporation formed on September 15, 2011. On December 7, 2011, our company name was changed from Big Popote, Inc. to Boba Mia, Inc., and on September 10, 2012, we changed our name to Boba Time, Inc., which was registered with the California Secretary of State. Our principal business address is 701 S. Vermont Ave., Los Angeles, CA 90005. Our telephone number is (213) 251-0001, and our website is www.itsbobatime.com. We do business under the name, It's Boba Time. Our agents for service of process are disclosed in Exhibit A to this Disclosure Document.

We are in the business of selling franchises for a retail specialty juice and snack bar operating under the It's Boba Time name and related marks specializing in the preparation and sale of premium, freshly made beverages, snacks and other food items. It's Boba Time Juice and Snack Bars are located at locations approved by us, such as in strip shopping centers, shopping malls, and free-standing units. It's Boba Time Juice and Snack Bars typically sell freshly-prepared juice beverages, including boba teas, smoothies, shaved ice and coffee and other snack and food items, including an assortment of complementary toppings ("Menu Items"), and provide carry-out and on-premises dining services. Menu Items are prepared according to proprietary recipes and procedures, and we use high quality ingredients and raw materials, including specially formulated and specifically produced products (collectively, "Trade Secret Food Products") that are branded, trademarked, and/or packaged exclusively for our system and franchise owners. We create and develop the standards and specifications for Trade Secret Food Products. If you acquire a It's Boba Time Franchise, you must operate your juice and snack bar according to our business formats, methods, procedures, designs, layouts, standards and specifications ("It's Boba Time System" or "System").

Your It's Boba Time Juice and Snack Bar will offer products and services to the general public throughout the year and compete with other shops offering similar food and beverage service businesses. The market for your type of products and services generally is developed and very competitive. Despite this competition, we believe that It's Boba Time Juice and Snack Bars appeal to consumers because of the outstanding quality of our products and services and the uniqueness of our System.

We do not operate any businesses of the type being offered. We have no other business activities. We have two affiliates, J&U Corp. and LYJ, Inc., which are California corporations and are owned and controlled by the same shareholder of Boba Time, Inc. Each of these two affiliates has operated a business similar to the business you will be operating since September 1, 2003 and December 29, 2018, respectively, in Los Angeles, California under the name of "Boba

Time" and "It's Boba Time." Neither of our affiliates has offered franchises in this or any other line of business.

We have no other business activities and have not offered franchises in other lines of business.

There are no regulations that apply specifically to the industry in which It's Boba Time Juice and Snack Bars operate. However, in addition to laws and regulations that apply to businesses generally, your franchised business will be subject to various federal, state and local government regulations, including those relating to site location and building construction. You are advised to investigate the laws, regulations and ordinances applicable to your franchised business further.

ITEM 2
BUSINESS EXPERIENCE

President: Eunice Unmi Pak

Eunice Pak is one of our founders and has been the President since the formation of our company in September 2011. She oversees the management and operation of our company and is also actively involved in our menu research and development. She also has served as President of our affiliate companies, J&U Corp., Wellbeing Time, Inc. and IBT Brothers, Inc. in Los Angeles, California since June 2003, February 2007 and April 2012, respectively.

Vice President: Tae Hoon Jun

Tae Hoon Jun is one of our founders and serves as the Vice President of our company since we incorporated in September 2011. He has responsibility over marketing and sales activities of our company, and oversees franchisee training. He served as Vice President of J&U Corp. in Los Angeles, California since June 2003.

Accounting Supervisor: Jamie Roh

Jamie Roh has served as our Accounting Supervisor since September 2012 and oversees our financial activities. Prior to joining our company, she was the accounting supervisor for Harvard Grand LP in Los Angeles, California from February 2008 to August 2012.

Franchise Relations Manager: Daniel Heo

Daniel Heo has served as our Franchise Relations Manager since January 2017 and oversees entire Franchise Development. Daniel also served as our Site Development Coordinator since October 2015 overseeing new corporate & franchised store development. Prior to joining us, Daniel served various roles at NAEROK Group Int'l, Inc. in Los Angeles, California and Del Richardson & Associates, Inc. in Inglewood, California (managed by NAREOK Group Int'l Inc.), including as Executive Assistant to Operations Controller, from October 2013 to May 2015.

From August 2010 to July 2013, Daniel served in the United States Army as a commissioned officer.

Public Relations Manager: Michelle Miso Chon

Michelle has served as our Public Relations Manager since September 2017 and oversees the overall marketing and PR operations for corporate and franchise stores. Michelle also served as our Marketing Director since January 2017, overseeing the marketing operations for corporate and franchise stores. Prior to joining our company, she was a Marketing Manager at MakeshopNcompany, Inc. in Los Angeles, California from October 2015 to December 2016. Michelle was traveling overseas and did not work from May 2013 to October 2015, and from April 2010 to May 2013, she served as a General Manager at Country Inn & Suites by Carlson in Harrisburg, PA.

ITEM 3
LITIGATION

Litigation Involving Boba Time, Inc., Eunice Pak and Tae Hoon Jun

Glen Suh, et al. v. Boba Time, Inc., et al. (Case No. BC685235). On November 29, 2017, a Boba Time franchisee Glen Suh brought an action against Boba Time, Inc., Eunice Pak, Tae Hoon Jun and others for breach of contract, fraud, breach of fiduciary duty, negligent misrepresentation and other similar grounds in the Los Angeles Superior Court arising out of the purchase of a Boba Time store by plaintiff and franchisee Glen Suh from IBT Brothers, Inc. Plaintiff Glen Suh claims, among others, that defendants breached the non-compete provision in the purchase agreement by opening additional stores in the designated area in Los Angeles. Defendants claim, among others, that the non-compete provision in the purchase agreement do not apply to the defendants. Defendants have filed a responsive pleading in this case, and the case is currently pending and discovery ongoing.

Other than the litigation disclosed in this Item 3, there is no litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcies are required to be disclosed in this Item.

ITEM 5
INITIAL FRANCHISE FEE

Franchise Agreement

You must pay a uniform initial franchise fee of $35,000 ("Initial Franchise Fee"). The Initial Franchise Fee is paid in a lump sum when you sign the Franchise Agreement and is non-refundable. The sum of $35,000 is payable by all franchisees who buy a franchise. The Initial Franchise Fee will be reduced to $25,000 for your second and any additional It's Boba Time Juice and Snack Bars.

We use the initial franchise fee to cover the costs of evaluating your proposed site, training you and your employees, and helping you develop and open your It's Boba Time Juice and Snack Bar. There is no reduction or refund of any part of the initial franchise fee even if only one individual attends the initial training program, as discussed in Item 11 herein.

Area Development Agreement –Deposit Fee

When you sign the Area Development Agreement, you must pay us a deposit fee equal to the sum of (i) 100% of the initial franchise fee ($35,000) for the first Juice and Snack Bar to be developed under the Area Development Agreement; and (ii) $12,500 of the initial franchise fee payable for each succeeding Juice and Snack Bar to be developed under the same Area Development Agreement ("Deposit Fee"). The pro rata portion of your Deposit Fee allocable to each Juice and Snack Bar will be credited against the initial franchise fee due for that Juice and Snack Bar. The Deposit Fee is calculated in the same way for all franchisees entering into Area Development Agreements, but the actual dollar amount paid will vary depending on the number of Juice and Snack Bars you agree to develop. The Deposit Fee is not refundable.

ITEM 6
OTHER FEES

Type of Fee[1]	Amount	Due Date	Remarks
Royalty Fees	5% of Gross Sales	Paid weekly by electronic funds transfer on the Juice and Snack Bar Gross Sales for the preceding week	"Gross Sales" means all revenue from the sale of services and products and all other income related to the Franchised Business, except sales taxes. Royalty Fees are payable by automatic debit, and funds must be made available in your account for withdrawal. See note 2
Marketing Fees	2% of Juice and Snack Bar Gross Sales	Paid weekly by electronic funds transfer on the Juice and Snack Bar Gross Sales for the preceding week	This fee is due and payable at the same time and in the same manner as the Royalty Fee
Supplemental and/or Additional Training Fee	$250 per day	Upon confirming the scheduling of supplementary and/or additional	You must pay ongoing training fees for any additional training requested by you or

		training	training for replacement Designated Manager
Audits	Cost of audit ($1,000 – $2,000) plus interest at the maximum rate allowable by law	Immediately upon receipt of bill	If we audit you and find that you understated Juice and Snack Bar Sales by 2% or more, you must reimburse us for the cost of the audit.
Transfer Fee	$10,000	Upon request for transfer	No transfer fee is required if the transfer is to a corporation you own 100% of and formed only for the convenience of ownership.
Interest on Understated Sales	1.5% per month or the maximum rate permitted by law, whichever is less	If incurred, on demand	Interest on under-reported sales runs from the date you should have made your payment until the date you pay us.
Interest on Overdue Payments	1.5% per month or the maximum rate permitted by law, whichever is less	If payments are more than 7 days overdue, on demand	Interest on late payments runs from the date you should have made your payment until the date it is received by us.
Insurance	Cost and premiums, plus interest on our outlay and a reasonable administrative fee that we will set	If incurred, on demand	If you do not obtain or maintain insurance coverage and we choose to do so on your behalf, you must reimburse us
Costs and Attorneys' Fees	Will vary under circumstances	If incurred, on demand	These fees are payable if we terminate the Franchise Agreement because of your default. You will also be required to pay all attorneys' fees if you or any of your agents or employees fails or refuses to comply with the required remedial measures relating to any repetition of any adulteration or palming off or failure of sanitation in the Juice and Snack Bar
Indemnity	Will vary under circumstances	If incurred, on demand	You must reimburse us for the costs we incur if we are sued or held liable for claims that arise from

			your operation of the Franchised Business or in connection with any offer of your securities, or for costs associated with defending claims that you used the trademarks in an unauthorized manner
Testing	Costs of testing ($1,000 - $2,000)	If incurred, on demand	This covers the costs of testing new products or inspecting new suppliers you propose
Computer systems, maintenance and support	Costs of service ($500 - $1,000 per year)	If incurred, on demand	This covers computer system support and ongoing development and software upgrades that we might provide in the future. We do not now provide these services but may charge you for them if we do.
Renewal Fee	$10,000	Before renewal	You will only need to pay this fee if you renew the Franchise Agreement. There is no renewal under the Area Development Agreement.
Remodeling, decoration, structural changes for renewal of franchise agreement and transfers	Costs as incurred, but not to exceed $60,000 for renewal of franchise agreement and $30,000 for transfers	If incurred, on demand	You may be required, as a condition for renewing the franchise agreement and/or transfers, to undertake Franchisor's pre-transfer inspection and to complete remodeling and decoration of your store, including structural changes, to meet with our standard requirements existing at the time of renewing the franchise agreement and/or transfers.

Note 1: You pay all fees to us unless otherwise noted. All fees are nonrefundable.

Note 2: "Juice and Snack Bar Gross Sales" includes the total of all revenues and income from the sale of all services and products, and all other income of every kind and nature related to your It's Boba Time Juice and Snack Bar less sales tax.

ITEM 7
ESTIMATED INITIAL INVESTMENT

This chart estimates your initial investment for one Juice and Snack Bar located in an in-line/in-cap location in a shopping center, with approximately 600 to 2,000 square feet for the Juice and Snack Bar.

YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee (1)	$35,000 ($25,000 for 2nd and any additional store)	Lump sum	At signing of Franchise Agreement	Franchisor
Real Estate Security/Utility Deposits, Licenses and Prepaid Fees (2) (10)	$10,000	As arranged	When Incurred	Suppliers
Equipment & Furniture (3)	$55,224-$80,000	As arranged	When Incurred	Suppliers
Leasehold Improvements (4)	$137,300-$240,000	As arranged	When Incurred	Suppliers and Approved Service Providers
Opening Inventory (5)	$6,000-$12,000	As arranged	When Incurred	Suppliers and Franchisor
Insurance (6)	$ 1,000-$2,000	As arranged	When Incurred	
Signage, Menu Board, Low Voltage (7)	$17,300	As arranged	When Incurred	Suppliers
Grand Opening Promotion (8)	Upto $5,000	As arranged	When Incurred	Suppliers
POS System (9)	$5,000	As arranged	When Incurred	Suppliers and Approved Service Providers
Additional Funds – 3 months (11)	$5,000-$15,000	As arranged	When Incurred	Employees and Suppliers
TOTAL BASIC PACKAGE	**$251,824-$411,300 (excluding real estate)**			

Notes:

1. The Initial Franchise Fee is non-refundable. All other fees are non-refundable.
2. An It's Boba Time Juice and Snack Bar occupies approximately 1,000 to 1,500 square feet of space. Our staff who is familiar with commercial real estate contracts and terms can assist, at our discretion, in identifying a suitable location and negotiating lease terms with the landlord. The terms of the lease and the amount of the monthly lease payment and security deposit will likely depend on the geographic location and size and condition of the premises and the demand for the premises by other prospective tenants. These recurring overhead costs cannot be estimated. You will lease space from the owner of the mall or retail center on terms negotiated by you and the owner. The lower figure contemplates a security deposit equal to one month's rent and the higher figure contemplates a security deposit equal to two months.
3. This includes all kitchen equipment/fixtures not covered by the general contractor.
4. Leasehold improvement and construction costs vary significantly depending on the condition, location, size and configuration of the Juice and Snack Bar premises, the layout of the mall or retail center, and other factors relating to the geographic location of the business, suppliers, government regulations, labor costs and other considerations such as Tenant Improvement Allowance provided by the landlord. You will contract directly with the architect, construction contractor and possibly other construction suppliers (such as low voltage vendor along with any other trade sub-contractors required for construction work) on terms negotiated by you. However, to ensure uniformity in the design work of your store with the overall Its Boba Time Juice and Snack Bar concept which allows for smooth and uninterrupted flow of work, we require that you only use our approved vendor for architectural and design services – Gary Wang & Associates and Axis 1 Design Corp, respectively. The estimated cost for leasehold improvement and construction provided above includes the current fees of $5,000 for Interior Design, and $10,000-$12,000 for Architectural services (cost will vary depending on architectural service provider – for locations larger than 2,500 sf may result in additional surcharge).
5. This includes food and beverage products, paper products, utensils, cleaning supplies, and printing and other supplies, including without limitation uniforms.
6. You must obtain and maintain certain types and amounts of insurance. (See Item 8). Insurance costs depend on policy limits, type of policies, nature and value of physical assets, gross revenue, number of employees, square footage, location, business contents, and other factors bearing on risk exposure. The estimate contemplates insurance costs for 3 months.
7. This figure contemplates five digital menu boards and one store front signage along with low voltage work, including required equipment such as DVR, camera system and PC to operate CCTV.
8. This money covers your Grand Opening promotion and first 3 months of marketing. You must spend this amount on your Juice and Snack Bar, including newspaper, direct mail advertising, and promotional items and food, such as menu brochures and promotional flyers.
9. This includes POS equipment purchase and installation cost by our approved vendor.
10. This category includes an estimate of security deposits, utility deposits, telephone services, food service licenses and other prepaid fees that you will be required to pay.
11. This item estimates your initial start up expenses (other than the items identified separately in the table). These expenses include payroll costs but not any draw or salary for you. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the business. Your costs depend on how much you follow our methods and procedures; your management skill, experience, and business acumen; local economic conditions; the local market for your products and services; the prevailing wage rate; competition, and the sales level reached during the initial period. We have relied upon our affiliate's eight (8) plus years of experience in the juice and snack bar industry, and in particular, in operating a similar juice and snack bar to compile these estimates.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate the Juice and Snack Bar according to our System Standards. System Standards may regulate, among other things, the types, models and brands of fixtures, furniture, equipment (including a required or recommended computer, facsimile machine, and point of sale information system), furnishings and signs (collectively, "System Assets"), Trade Secret Food Products, Branded Products, other food products, and supplies required for the Juice and Snack Bar; required and/or authorized Menu Items, Trade Secret Food Products, and Branded Products; inventory requirements; and designated and approved suppliers of System Assets, Trade Secret Food Products, Branded Products, and other items.

In the case of Trade Secret Food Products and Branded Products, suppliers will be limited to us, our affiliates and/or other specified exclusive sources, and you must buy Trade Secret Food Products and Branded Products only from us, our affiliates, and/or other specified exclusive sources. We restrict your sources of Trade Secret Food Products and Branded Products in order to protect our trade secrets, assure a reliable supply of products that meet our standards, achieve better terms of purchase and delivery service, control usage of the Marks by third parties, and monitor the manufacture, packaging, processing, and sale of these items. In the case of System Assets and items other than Trade Secret Food Products and Branded Products, suppliers could, at our option, be limited to us, our affiliates and/or other specified exclusive sources, in which you would have to buy the System Assets and other items only from us, our affiliates, and/or the other specified exclusive sources. We have the absolute right to limit the suppliers with whom you may deal. We will identify all designated and approved suppliers in the Operations Manual or other written communications. Besides the Trade Secret Food Products and Branded Products, you currently must buy all of your Juice and Snack Bar's equipment from our designated suppliers. There are no other goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, or real estate for the Juice and Snack Bar that you currently must buy or lease from us (or an affiliate) or designated suppliers. Any purchases from us and our affiliates, whether required or voluntary, generally will be at prices exceeding our costs.

To maintain the quality of the goods and services that It's Boba Time Juice and Snack Bars sell and our System's reputation, we may condition your right to buy or lease System Assets, inventory items, and similar items (besides those described above which you may obtain only from us, our affiliates, and/or other specified exclusive sources) on their meeting our minimum standards and specifications and/or being acquired from supplier that we approve. We will formulate and modify standards and specifications based on our experiences. Our standards and specifications may impose minimum requirements for production, performance, reputation, prices, quality, design and appearance. Our Operations Manual or other communications will identify our standards and specifications. We will notify you and, where appropriate, the suppliers. There might be situations where you can obtain items from any supplier who can satisfy our requirements and, therefore, would be an approved supplier.

If we institute any type of restrictive sourcing program (which, as noted above, we will do for Trade Secret Food Products, Branded Products, and the Juice and Snack Bar's equipment and may do for other items) and you want to use any item or service that we have not yet evaluated or to buy or lease from a supplier that we have not yet approved or designated, you first must send us sufficient information, specifications, and samples so that we can determine whether the item or service complies with System Standards or the supplier meets approved supplier criteria. We may charge you or the supplier a reasonable fee for the evaluation (see Item 6) and will decide within a reasonable time, but no more than 30 days. We periodically will establish procedures for your requests and may limit the number of approved items, services, and/or suppliers as we think best. Supplier approval might depend on product quality, delivery frequency and reliability, service standards, financial capability, customer relations, concentration of purchases with limited suppliers to obtain better prices and service, and/or a supplier's willingness to pay us and/or our system for the right to do business with our system. We and any other affiliate have the right to receive payments from suppliers on account of their dealings with you and other franchise owners and to use all amounts that we and our affiliates receive without restrictions (unless we and our affiliates agree otherwise with the supplier) for any purposes we and our affiliates deem appropriate. Supplier approval might be temporary until we evaluate the supplier in more detail. We may inspect a proposed supplier's facilities during and after the approval process to make sure that the supplier meets our standards. If it does not, we may revoke our approval by notifying the supplier and you in writing. We have no obligation to approve any request for a new supplier, product or service.

We reserve the right to receive certain considerations from required purchases or leases by franchisees on account of their dealings with you and other franchise owners and to use all amounts that we receive without restrictions for any purposes we deem appropriate. We also reserve the right to receive certain considerations from suppliers from franchisee purchases. Presently, however, there are no such considerations paid to us from any suppliers of services or products, and we have no revenues derived from such payments.

Our affiliate, B2B Time, Inc., is an approved supplier for certain required purchases of products sold to our franchisees, including certain proprietary food materials and ingredients as well as certain restaurant supplies. In the year ending December 31, 2018, this affiliate's revenues from the sale of its total revenue from the sale of such required purchases was $535,711.63, which makes up 92% of its revenues that are derived from purchases by franchisees. We estimate that the required purchases bought from this company will represent approximately 8% of your overall purchases in operating your store.

Besides these purchases or leases, you must obtain and maintain, at your own expense, the insurance coverage that we periodically require and satisfy other insurance-related obligations. You currently must have all risks coverage insurance for the Juice and Snack Bar and its contents for full replacement value; comprehensive general liability and product liability insurance with coverage for broad form contractual liability, products/completed operations, personal and advertising injury, and fire damage (with minimum limits of $1 million); general aggregate coverage for $2 million; business interruption insurance; and workers' compensation insurance required by state law. Premiums depend on the insurance carrier's charges, terms of payment, and your history. All insurance policies must name us as additional insured parties.

Before you use them, you must send us samples of all advertising, promotional, and marketing materials that we have not prepared or previously approved for our review. If you do not receive written disapproval within 30 days after we receive the materials, they are deemed to be approved. You may not use any advertising, promotional, or marketing materials that we have not approved or have disapproved.

You are responsible for developing the Juice and Snack Bar. We will give you mandatory and suggested specifications and layouts for a It's Boba Time Juice and Snack Bar, including requirements for dimensions, design, image, interior layout, décor, System Assets, and color scheme. These plans might not reflect the requirements of any federal, state or local law, code or regulation, including those arising under the Americans with Disabilities Act ("ADA") or similar rules governing public accommodations for persons with disabilities. You must prepare a site survey and all required construction plans and specifications for the Juice and Snack Bar's site and make sure that they comply with the ADA and similar rules governing public accommodations for persons with disabilities, other applicable ordinances, building codes, permit requirements, and lease requirements and restrictions. We must review and approve all final plans and specifications before you begin constructing the Juice and Snack Bar and all revised or "as built" plans and specifications during construction. Our review is only to ensure your compliance with our design requirements. We may inspect the Juice and Snack Bar during its development.

The Juice and Snack Bar must be at a site that we approve. We have the right to approve the Juice and Snack Bar's lease or sublease and to require that it include certain provisions (listed in Article I of the Franchise Agreement), including our right to the Juice and Snack Bar's site if the franchise is terminated or not renewed or if you lose possession because of your default under the lease.

You can expect items purchased or leased in accordance with our specifications will represent approximately 70% to 80% of total purchases you will make to begin operations of the business and approximately 60% to 70% of the ongoing costs to operate the business.

There currently are no purchasing or distribution cooperatives. We currently negotiate purchase arrangements with suppliers (including price terms) for Trade Secret Food Products, Branded Products, the Juice and Snack Bar's equipment, building supplies, and signage. We do not provide material benefits to you for using designated or approved sources.

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	Article/Section in Agreement	Item(s) in Disclosure Document
a. Site selection and acquisition/lease	Franchise Agreement: II and VII Area Development Agreement: III	6, 7, 11
b. Pre-opening purchases/ leases	Franchise Agreement: II, VII, VIII and IX	7, 8, 11
c. Site development and other pre-opening requirements	Franchise Agreement: II, VII, VIII and IX	7, 8, 11
d. Initial and ongoing training	Franchise Agreement: II, IV, VI and XX	7, 11
e. Opening	Franchise Agreement: II, VI and VII	11

Obligation	Article/Section in Agreement	Item(s) in Disclosure Document
f. Fees	Franchise Agreement: V, VIII, IX, XI and XX Area Development Agreement: II and III	5, 6, 7, 11
g. Compliance with standards and policies/Operating Manual	Franchise Agreement: IV, VIII, XI and XV	8, 11, 16
h. Trademarks and proprietary information	Franchise Agreement: III, VIII and XI Area Development Agreement: VII	13, 14
i. Restrictions on products/ services offered	Franchise Agreement: VII Area Development Agreement: VII	8, 16
j. Warranty and customer service requirements	None	None
k. Territorial development and sales quotas	Area Development Agreement: III	12
l. Ongoing product/service purchases	Franchise Agreement: VIII	8, 16
m. Maintenance, appearance and remodeling requirements	Franchise Agreement: VIII and XV	11
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w. Non-competition covenants	Franchise Agreement: XIV Area Development Agreement: XII	17
x. Dispute resolution	Franchise Agreement: XXX Area Development Agreement: XIX	17

ITEM 10
FINANCING

We do not provide, directly or indirectly, any financing to you. We are unable to estimate whether you will be able to obtain financing for any or all of your investment and, if so, the terms of financing. We do not guarantee your notes, leases or other obligations.

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

Listed below are our obligations under the Franchise Agreement and Area Development Agreement. Unless listed below, we need not provide any assistance to you.

Pre-Opening Obligations

Area Development Agreement

Except as listed below, we need not provide any assistance to Area Developer.

1. We will grant to you exclusive rights to a Development Area within which you will assume the responsibility to establish and operate an agreed-upon number of Juice and Snack Bars within the Development Area under separate Franchise Agreements (Area Development Agreement – Section 1.1).
2. It is our standard procedure to select sites through our Real Estate Director. However, if you find a site on your own, we will review sites you select for conformity to our standards and criteria for potential sites and, if the site meets our criteria, approve the site for a Juice and Snack Bar (Area Development Agreement – Section 8.1).
3. We will provide you with standard specifications and layouts for building and furnishing the Juice and Snack Bar (Area Development Agreement – Section 8.2).
4. We will review your site plan and final build-out plans and specifications for conformity to our standards and specifications (Area Development Agreement – Section 8.3).
5. We will conduct one on-site evaluation, as we deem advisable, as part of our evaluation of the site for a Juice and Snack Bar (Area Development Agreement – Section 8.4).
6. We will provide such other resources and assistance as may be developed and offered to our area developers (Area Development Agreement – Section 8.5).

Except as listed below, we need not provide any assistance to you.

Franchise Agreement

We have the following obligations to you before you open your It's Boba Time Juice and Snack Bar:

1. Give you our site selection criteria for the Juice and Snack Bar. The site must meet our

criteria for demographic characteristics, traffic patterns, parking, character of neighborhood, competition from and proximity to other businesses, the nature of other businesses in proximity to the site and other commercial characteristics, and the size, appearance and other physical characteristics of the proposed site. We will accept or deny a location you propose for the Juice and Snack Bar within 30 days after we receive the complete site report and other materials we request. We do not guarantee the success of any site or any lease (Franchise Agreement – Articles 2.1, 2.2 and 2.3).

2. Our representative will assist in coordinating the construction on your behalf, which will include consultation with respect to conformity to local ordinances, building codes and permits. Our representative will assist you with the purchase of equipment, signs, fixtures and opening inventory and supplies, but we will not install these items. We will assist you in setting up accounts with approved suppliers who are familiar with our specifications and will provide you a copy of such specifications (Franchise Agreement – Article 2.6).

3. Give you mandatory and suggested specifications and layouts for your Juice and Snack Bar, including requirements for dimensions, design, image, interior layout, decor, fixtures, equipment, signs, furnishings and color scheme (Franchise Agreement – Article 2.4).

4. Train you and your manager (Franchise Agreement – Article 2.8). This training is described in detail later in this Item.

5. We will loan you a copy of (or provide you electronic access to) our Confidential Operations Manual, containing the uniformed standards, specifications and other requirements for operation of your It's Boba Time Juice and Snack Bar (Franchise Agreement – Article 11.1).

6. We will provide assistance and guidance on your initial opening of the It's Boba Time Juice and Snack Bar, including dispatching of our representative to help with the opening.

<u>Continuing Assistance</u>

We have the following obligations to you during the operation of your It's Boba Time Juice and Snack Bar:

During the operation of the Juice and Snack Bar, we will:

1. Advise you regarding operating issues concerning the Juice and Snack Bar disclosed by reports you submit or inspections we make. In addition, we will give you guidance on standards, specifications and operating procedures and methods used by other Juice and Snack Bars in the System; new recipe items, menu variations, food preparation and display methods; purchasing required fixtures, furnishings, equipment, signs, products, materials and supplies; advertising and marketing programs; employee training; and administrative, bookkeeping and accounting procedures. This guidance will, at our discretion, be furnished in our Operations Manual, bulletins or other written materials and/or during telephone consultations at our office or the Juice and Snack Bar (Franchise Agreement – Article 7.5).

2. May review and approve or disapprove of proposed advertising materials prepared by you for use in local advertising (Franchise Agreement – Article 9.4).

3. Inspect and observe the operations of the Juice and Snack Bar from time to time to

determine whether you and the Juice and Snack Bar are complying with the Franchise Agreement and all System standards. The details of inspections will be furnished in our Operations Manual (Franchise Agreement – Article 7.6).

4. Administer the advertising fund in the manner described in the Franchise Agreement (Franchise Agreement – Article IX).

<u>Advertising Fund</u>

We will establish an Advertising Fund (the "Fund") for such advertising, marketing and public relations programs as we, in our sole discretion, may deem necessary or appropriate to promote "It's Boba Time" Juice and Snack Bars. We will administer the Fund as follows:

1. We will direct all advertising and public relations programs financed by the Fund, with sole discretion of approval over agencies, spokespersons, creative concepts, materials, and media placements and allocations used in the programs. The Fund will establish and maintain an on-line presence. The Fund may be used to pay the costs of researching, preparing, maintaining, administering and directing advertising and promotional materials and programs (including the costs of preparing and conducting television, radio, magazine, newspaper, direct mail and coupon advertising campaigns and other public relations activities; employing advertising agencies; providing a toll-free number for prospective customers to call for referral purposes; and providing promotional brochures and other marketing materials to franchisees in the System) as well as systemwide marketing/promotional support to all franchisees. Also monies in the Fund may be used to cover administrative costs and overhead we may incur including salary costs of employees working exclusively for the Fund, up to 15%. You must participate in all advertising and public relations programs instituted by the Fund. All Juice and Snack Bars owned by us or our affiliates will contribute to the Fund on the same basis as you. See Item 6 for the amount you are required to contribute to the Fund.

2. The Fund will be accounted for separately from our other funds. We may spend in any fiscal year an amount greater or less than the aggregate contribution of all Juice and Snack Bars to the Fund in that year and the Fund may borrow from us or other lenders at standard commercial interest rates to cover deficits of the Fund or cause the Fund to invest any surplus for future use by the Fund.

3. You authorize us to collect for remission to the Fund any advertising or promotional monies or credits offered by any supplier based upon your purchases. Any advertising or promotional monies or credits we collect from any supplier based upon your purchases will not be credited toward your required contribution to the Fund.

4. A statement of monies collected and costs incurred by the Fund will be prepared annually by us and will be furnished to you upon written request. We will have the right to cause the Fund to be incorporated or operated through an entity separate from us at such time as we deem appropriate, and such successor entity will have all our rights and duties.

5. The Fund is intended to maximize recognition of the Proprietary Marks and patronage of It's Boba Time Juice and Snack Bars generally. Although we will endeavor to utilize the Fund to develop advertising and marketing materials and programs, and to place advertising, in order to benefit all Juice and Snack Bars, we undertake no obligation to ensure that expenditures by the Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the Fund by the Juice and Snack Bars operating in that geographic area or that any Juice and Snack Bar will benefit directly or in proportion to its contribution to the Fund from the development of advertising and marketing materials or the placement of advertising.

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 Fund. We have no fiduciary obligation to you or any other Juice and Snack Bar in connection with the establishment of the Fund or the collection, control or administration of monies paid into the Fund. Except as expressly provided in the Franchise Agreement, we assume no direct or indirect liability or obligation to you with respect to the maintenance, direction, or administration of the Fund. See Items 6, 8 and 9 of this Disclosure Document. (Franchise Agreement – Article IX)

The Fund may place advertising in any media, including print, radio and television. The coverage is typically regional and national in nature. Advertising may be developed in-house and/or by regional and national advertising agencies. No money will be spent by the Fund to solicit new franchisees.

Local Advertising

There is no spending requirement for your local advertising. However, you must obtain and maintain a bold listing in your local white pages directory under the name "It's Boba Time" Juice and Snack Bar and also maintain a yellow pages advertisement in the form we specify at your cost. You may not solicit business through a toll-free number, direct mail or other advertising method without our prior written consent. (Franchise Agreement – Article 9.3)

Any and all local advertising, promotion and marketing you engage must be completely clear and factual and not misleading and conform to the highest standards of ethical marketing and the promotion policies which we prescribe from time to time. You must submit to us, in the form and manner we prescribe, for prior approval, samples of all advertising and promotional materials not prepared or previously approved by us, including materials you wish to present on a website. If you do not receive written or oral disapproval within 10 days from the date of our receipt of such materials, we will be deemed to have approved the submitted materials. You may not use any advertising or promotional materials that we have not approved, have disapproved or that do not include the copyright registration notices and trademark registration notices we designate (Franchise Agreement - Article 9.4). You are not permitted to advertise on the Internet or World Wide Web without our prior written consent (Franchise Agreement – Article 9.6).

National Advertising Council

We may, in the future, establish a National Advertising Council composed of franchisees. The Council members are selected by the franchisees in the System. The Council will serve in an advisory capacity only, advising us on advertising policies. We will have the authority to dissolve, change and reform the Council. There currently are no advisory councils.

Operating Manual

Attached as Exhibit "E" is a copy of the table of contents of our current Operating Manual, which indicates the number of pages devoted to each topic and the total number of pages in the Operating Manual.

Information System/Cash Register/Computer System

You must purchase, use, maintain and update your software, computer and other POS systems that meet our specifications and requirements. There are no contractual limitations on the frequency and cost of upgrades and updates to the systems or programs. You must comply with our then-current terms of use policies and any other requirements regarding any inter/intranet sites we establish for It's Boba Time Juice and Snack Bars. We have presently approved NavyZebra by Bankcard Services as the supplier for POS system, located at 21281 South Western Ave., Torrance, CA 90501, and can be contacted at (888) 339-0100. We reserve the right to replace the above supplier and appoint a new supplier or suppliers as we deem necessary at our discretion.

In this regard, the cost of purchasing and installing the required system is estimated to range between $8,500 – $11,000. The estimated annual cost of optional or required maintenance, updating, upgrading or support contracts is approximately $500 - $1,000.

You must obtain and maintain at your own expense accounting, sales, reporting and records retention systems conforming to any requirements set by us. We reserve the right to use, and to have full access to, all your cash registers, computers and any other systems, and the information and data they contain. We may charge a reasonable fee for the license, modification, maintenance or support of software or any other goods and/or services that we furnish to you in connection with any of the systems.

We may introduce to the System additional computer software and hardware (including POS and additional back office systems) which you must purchase, use, maintain and update at your expense, as specifications and requirements may be modified over time. In some cases, these components may only be available through us or approved vendors. You will be responsible for paying all supplier and/or licensor (which may include us) charges for use, maintenance, support and/or updates to any future required systems. We do not have a contractual obligation under the Franchise Agreement to provide any maintenance, repairs, upgrades, or updates on any software or hardware. There are no contractual limitations on the frequency and cost of upgrades and/or updates to the systems or programs.

You will use the computer for basic accounting practices, receiving and responding to emails, submitting monthly reports. We will have access to all data captured by these computers. There is no contractual limitation on our use of the data, although any use by us shall be for reasonable business purposes.

We do not warrant or have any responsibility for the software or hardware you must obtain. Any warranty you may have on equipment or software will be limited to that provided by the applicable manufacturer or licensor.

Site Selection

It is your obligation to select the site for your Juice and Snack Bar. If you are an Area Developer and you have found a site which you believe to be suitable for a Juice and Snack Bar, you will be required to submit a completed site approval package to us (the "Site Approval Package") and other materials which we may reasonably require. We will have 15 business days to approve or disapprove a site you propose. If you do not receive written notice of our disapproval after 15 business days, the site is deemed approved (Area Development Agreement – Section 3.1).

Our site selection and/or acceptance is based on residential population, daytime population (including workers), traffic counts and patterns, competing establishments, income levels, availability of parking, rental and lease terms, physical configuration of the site and growth trends in the area. We must approve any site selected, but our consent will not be unreasonably withheld. We may require you to execute a sublease if the Juice and Snack Bar is located in a regional shopping mall if we secured the location, otherwise you must sign a

Conditional Assignment of Lease in a form designated by us. If you fail to find a suitable site within nine months from signing the Franchise Agreement, we can terminate the Franchise Agreement and keep the Initial Franchise Fee.

Opening the Franchised Business

We estimate that there will be an interval of nine to twelve months between the execution of the Franchise Agreement and the opening of the Juice and Snack Bar, but the interval may vary based upon such factors as the location and condition of the site, the construction schedule for the Juice and Snack Bar, the extent to which an existing location must be upgraded or remodeled, the delivery schedule for equipment and supplies, delays in securing financing arrangements and completing training and your compliance with local laws and regulations. You may not open the Juice and Snack Bar for business until: (1) we approve the Juice and Snack Bar as developed according to our specifications and standards; (2) pre-opening training has been completed to our satisfaction; (3) the Initial Franchise Fee and all other amounts then due to us have been paid; and (4) we have been furnished with copies of all required insurance policies, or such other evidence of insurance coverage and payment of premiums as we request. You must execute commercial lease agreement of the location for the Juice and Snack Bar for business within 365 days after the execution of the Franchise Agreement and complete planning, permitting, construction, and open the Juice and Snack Bar within 365 days after execution of the commercial lease agreement of the location of the Juice and Snack Bar. You must open for business within five days after we notify you that the Juice and Snack Bar is ready to open unless there are circumstances beyond your control. We must approve any delay in opening of Juice and Snack Bar with approval to be reasonable in nature. Above timeline requirement will be strictly enforced and any violation and/or intentional delay of store opening will be cause for termination of the Franchise Agreement.

Training

Our New Franchisee Training Program ("NFTP") consists of an extensive instruction program by our current management team concerning all aspects of the operation and management of the Franchised Business as well as outside specialist courses applicable to your Juice and Snack Bar. The training includes review and discussion of the Confidential Operations Manual and all aspects of the operation of your business. The training should be scheduled near the time of the completion of the construction and supplying of the Juice and Snack Bar and after hiring your key employees. The training will take place at one of our business locations, and will be conducted by our principals identified in Item 2. Outside specialist courses will take place at the locations designated by the respective programs. We may require that you and/or your designated manager(s) attend such further training programs as we shall from time to time reasonably prescribe and complete the programs to our satisfaction. There may be a fee for refresher courses, but not exceeding $250.00 per day. The fee will be primarily to compensate the personnel who teach the courses and to defray the expenses of such courses. A person who has successfully completed our NFTP must at all times actively supervise the operation of your It's Boba Time Juice and Snack Bar.

For all required initial training courses, we will provide, at no charge to you, instructors and training materials. You and your Specially Trained Management Employees will be responsible for all other expenses which you incur within the courses, including the cost of transportation, lodging, meals and wages. If you need to replace your Designated Manager, the replacement Designated Manager must attend and complete the supplemental NFTP to the Franchisor's satisfaction as soon as is practicable. For this training, we charge a Supplemental Training Fee to train replacement Designated Manager, which is currently $250.00 per day.

You must replace the manager if we determine that he or she is not qualified to serve in this position.

You are responsible for the recruitment and hiring of all of your employees. You are also responsible for the training of all Juice and Snack Bar employees. For all of your Juice and Snack Bars, one of our representatives will advise and assist you in opening the Juice and Snack Bar by coordinating your pre-opening activities and being available to assist with your operations for up to 14 days during the opening weeks for your first store opening, and if deemed necessary at our sole discretion, provide up to 5 days of opening assistance for your second store opening, as further defined in the Confidential Operations Manual.

We will be available to consult with you and/or your Designated Manager by telephone, Monday through Friday 9:00 a.m. to 5:00 p.m. (Los Angeles, California time), with respect to all aspects of starting and operating your It's Boba Time Juice and Snack Bar.

Listed below is a chart showing our tentative training schedule, the principal instructors, the instructional material you will use, and the location of the training:

TRAINING PROGRAM

Subject	**Hours of Classroom Training/On-The-Job Training**	**Instructional Material**	**Location**
Orientation and Concept	1/2	Manual; Handouts; Slide presentation	Corporate Headquarters, Los Angeles, Ca.
Human Resources Management	1/0	Manual; Handouts; Slide presentation	Corporate Headquarters, Los Angeles, Ca.
Customer Service and Sales Techniques	1/10	Manual; Handouts; Slide presentation	Corporate Headquarters, Los Angeles, Ca.
Beverage and Food Preparation	2/60	Manual; Handouts; Slide presentation	Corporate Headquarters, Los Angeles, Ca.
Food Handlers Manager Course	8/0	Manual; Handouts; Slide presentation	American National Standards Institute (ANSI) accredited institution Los Angeles, Ca.
Product Ordering – Specifications and Inventory Control	1/2	Manual; Handouts; Slide presentation	Corporate Headquarters, Los Angeles, Ca.
Equipment Usage and Maintenance	2/6	Manual; Handouts; Slide presentation	Corporate Headquarters, Los Angeles, Ca.
Marketing and Advertising	2/0	Manual; Handouts; Slide presentation	Corporate Headquarters,

			Los Angeles, Ca.
Quality Standards and Store Sanitation	2/4	Manual; Handouts; Slide presentation	Corporate Headquarters, Los Angeles, Ca.
Total	20/84		

All aspects of training are integrated. There are no definitive starting and stopping times. The training program will be supervised by our experienced corporate trainer.

We can require that you and/or your Manager attend additional and/or refresher training programs, including national and regional conferences, conventions and meetings, as we may reasonably require, to correct, improve and enhance your operations, the System, and its members at our corporate headquarters, with durations not longer than 3 days and not more than 2 times in any given year. You will be responsible for all travel, living, incidental and other expenses for you and your personnel attending optional or mandatory training programs, seminars or meetings. We may charge a reasonable fee for any training program, conference, convention or other events.

ITEM 12
TERRITORY

Area Development Agreement

Under the Area Development Agreement, we grant you the right to develop and operate the number of It's Boba Time Juice and Snack Bars in the Development Area that is specified in the Development Schedule, which is an exhibit to the Area Development Agreement. The Development Area is typically described in terms of municipal or county boundaries but may be defined as a specified trade area in a municipality or other specific area. The actual size of the Development Area will vary, but at a minimum, will generally be the area having a radius of approximately 2-4 miles for an area developer, depending on the population density of the county in which you wish to develop. This area can be changed and modified, depending upon the availability of contiguous markets, our long-range development plans, your financial and operational resources, population and market conditions. Our designation of a particular Development Area is not an assurance or warranty that there are a sufficient number of suitable sites for Juice and Snack Bars in the Development Area for you to meet your Development Schedule. The responsibility to locate and prepare a sufficient number of suitable sites is solely yours, and we have no obligation to approve sites which do not meet our criteria in order for you to meet the Development Schedule.

Except as described below, during the term of the Area Development Agreement, we and our affiliates will not operate or grant a franchise for the operation of Juice and Snack Bars to be located within the Development Area. However, we have the right to terminate this exclusivity if you are not in full compliance with all of the terms and conditions of the Area Development Agreement and all of the Franchise Agreements executed under it.

Except as expressly limited by the Area Development Agreement, we and our affiliates retain all rights with respect to Juice and Snack Bars, the Proprietary Marks, and any products and services anywhere in the world including, without limitation, the right: (a) to produce, offer and sell and to grant others the right to produce, offer and sell the products offered at Juice and Snack Bars and any other goods through similar or dissimilar channels of distribution, both within and outside the Development Area, under trade and service marks other than the Proprietary Marks and under any terms and conditions we deem appropriate; (b) to produce, offer and sell, and grant others the right to produce, offer and sell the products offered at Juice and Snack Bars and any other goods through dissimilar channels of distribution, both within and outside the Development Area under the Proprietary Marks and under any terms and conditions we deem appropriate; (c) to operate and to grant others the right to operate Juice and Snack Bars located outside the Development Area under any terms and conditions we deem appropriate and regardless of proximity to your Juice and Snack Bars; and (d) subject to the option described below, the right to acquire and operate a business operating one or more shops or food service businesses located or operating in your Development Area.

We may during the term of the Area Development Agreement acquire the shares or assets of a business operating one or more shops or other food service businesses ("Acquired Juice and Snack Bars"). If after the acquisition we own one or more Acquired Juice and Snack Bars located in your Development Area which we intend to operate as Juice and Snack Bars or as Competitive Businesses (the "Optioned Juice and Snack Bars"), we will first offer to sell the Optioned Juice and Snack Bars to you for the price we paid including that portion of the direct and indirect costs and liabilities we incurred or assumed in making such acquisition that is allocated to the Optioned Juice and Snack Bar whether paid or owed to the seller of such Optioned Juice and Snack Bar, to us, to our affiliates or to third parties and other expenses allocated to such Optioned Juice and Snack Bar including losses, plus interest at our cost of money on the balance of such amounts from time to time. We are required to sell to you the Optioned Juice and Snack Bars described above only if: (1) such sale will not conflict with any of our existing legal obligations or the business being acquired; (2) such sale will not preclude the completion of the acquisition on the terms which we agreed upon with the seller; (3) such sale will not interfere with any other legal agreement, arrangement or combination; and (4) you agree to execute upon acquisition a Franchise Agreement for each and every such Optioned Juice and Snack Bar and convert each such Optioned Juice and Snack Bar to a Juice and Snack Bar as soon as practicable thereafter in accordance with the standards and specifications. You will have 30 days in which to accept or reject such offer. In the event you reject or fail to timely accept our offer to sell an Optioned Juice and Snack Bar or we are unable to extend such offer for any of the aforementioned reasons, we may incorporate and use certain elements of the system at the Optioned Juice and Snack Bars. We agree that, provided you are in full compliance with the Area Development Agreement and all Franchise Agreements, we will neither use nor authorize the use of any of the Marks at such Optioned Juice and Snack Bars located in the Development Area whether owned or franchised by us for two years or during the remaining term of the Area Development Agreement, whichever is less. For purposes of this paragraph, all references to us shall be deemed to include our affiliates.

To maintain your rights under the Area Development Agreement you must have open and in operation the cumulative number of Juice and Snack Bars set forth on the Development Schedule by the dates set forth in the Development Schedule. Failure to do so will be grounds for either a loss of exclusivity or a termination of the Area Development Agreement.

In addition, upon the earlier of the expiration of the term of the Area Development Agreement or upon your execution of a Franchise Agreement for the last Juice and Snack Bar to be developed within the Development Area, your exclusive rights under the Area Development Agreement with respect to the Development Area will terminate and we and our affiliates will have the right to operate and to grant to others development rights and franchises to develop and operate Juice and Snack Bars within the Development Area. This right will be subject only to the territorial rights under the franchise agreements entered into by you for Juice and Snack Bars in the Development Area. The Development Area may not be altered unless we and you mutually agree to do so. It will not be affected by your sales volume. Except as the Area Development Agreement grants you the right to acquire the Optioned Juice and Snack Bars described above, you are not granted any other option, right of first refusal or similar right to acquire additional Juice and Snack Bars in your Development Area under the Area Development Agreement.

Franchise Agreement

Under the Franchise Agreement we grant you the right to operate a Juice and Snack Bar at a specific location and only there. We will not grant you any exclusive territory. The site of the Juice and Snack Bar will be inserted in the Franchise Agreement after the signing of the Franchise Agreement. Relocation of your Juice and Snack Bar requires our prior written approval.

Except as expressly limited by the terms of your Franchise Agreement, we and our affiliates retain all rights with respect to Juice and Snack Bars, the Proprietary Marks, and any goods and services anywhere in the world including: (a) to produce, offer and sell and to grant others the right to produce, offer and sell the services and/or goods offered at the Juice and Snack Bar and any other goods and services through similar or dissimilar channels of distribution under trade and service marks other than the Proprietary Marks and under any terms; (b) to produce, offer and sell and to grant others the right to produce, offer and sell the services and/or goods offered at the Juice and Snack Bar and any other goods and services through dissimilar channels of distribution under the Proprietary Marks and under any terms; (c) the right to operate or grant others the right to operate Juice and Snack Bars anywhere regardless of its proximity to your Juice and Snack Bar and on such terms as we deem appropriate; and (d) subject to the option described below, the right to acquire and operate a business operating one or more shops and/or other food service businesses located or operated anywhere.

You will not have any exclusive right to own and operate the Juice and Snack Bars in any specific area or any other option, right of first refusal or similar right to acquire additional Juice and Snack Bars under the Franchise Agreement. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

There are no restrictions on us or our franchisees from soliciting or accepting orders for our food products anywhere.

ITEM 13
TRADEMARKS

The following trademark has been filed with the United States Patent and Trademark Office ("USPTO"):

TRADEMARK	STATUS	REGISTRATION DATE	REGISTRATION NUMBER
IT'S BOBA TIME	REGISTERED	JANUARY 8, 2013	4273426
BOBA TIME	REGISTERED	OCTOBER 23, 2012	4229643

*J & U, our affiliate company, is the applicant for the above marks and presently has granted us the exclusive license to use and license the above trademark, and we in turn will grant you the non-exclusive right to use the above marks as well as other trademarks, service marks, trade names and commercial symbols owned by us or that we may authorize in the future (collectively, the "Marks"). The Marks may only be used at the location we approve for your It's Boba Time Juice and Snack Bar and for the sale of products and services we authorize under the Franchise Agreement.

Your use of the mark, "It's Boba Time" and any related marks and logos ("Marks") and any goodwill is to our exclusive benefit and you retain no rights in the Marks. You also retain no rights in the Marks upon expiration or termination of your Franchise Agreement. You are not permitted to make any changes or substitutions of any kind in or to the use of the Marks unless we direct in writing. We may change the System presently identified by the Marks, including the adoption of new Marks, new products, new equipment or new techniques and you must adopt the changes in the System. You must comply within a reasonable time if we notify you to discontinue or modify your use of any Mark. We will have no liability or obligation as to your modification or discontinuance of any Mark.

There are currently no effective material determinations by the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, or any pending infringement, opposition or cancellation proceeding, or any pending material litigation, involving the Marks. There are currently no agreements in effect that significantly limit our rights to use or license the use of any Marks in any manner material to the franchise. There are no superior prior rights or infringing uses actually known to us that could materially affect your use of the Marks.

We are not obligated to protect you against infringement or unfair competition claims arising out of your use of the Marks or to participate in your defense or indemnify you. We reserve the right to control any litigation related to the Marks, and we have the sole right to decide to pursue or settle any infringement actions related to the Marks. You must notify us promptly of any infringement or unauthorized use of the Marks that you may become aware. If we determine that a trademark infringement action requires changes or substitutions to the Marks, you must make the changes or substitutions at your own expense.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents or copyrights currently registered that are material to the franchise.

Our Manual, other manuals, training material, merchandise and vendor lists and updates, action plans, and other directives contain material which we consider to be trade secrets. We claim trade secret and copyright protection for these manuals and materials although we have not filed any corresponding applications concerning them. You have to follow our direction in protecting the manuals and other trade secret material from unauthorized disclosure. You must use our proprietary materials only as we direct.

We can require your managers and supervisors to sign a confidentiality agreement in which they promise to keep all of our proprietary information confidential and to follow our directions regarding its use.

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

Franchise Agreement

You must at all times directly supervise the operation of the Juice and Snack Bar or you may employ a manager for this purpose. We recommend that you conduct direct, on-premises supervision of the Juice and Snack Bar and not delegate this duty to third parties. If you do appoint a manager for these duties, we must train him or her. Also, you must inform us of your manager's identity, and each manager must sign an agreement not to divulge any trade secret or confidential or proprietary information, or to engage in any other business. Your manager need not have an ownership interest in a corporate or partnership franchisee, but he or she must have substantial food service experience, demonstrate strong management abilities and promote the "It's Boba Time" image to the public. At a minimum, you must have at least 2 people working at your Juice and Snack Bar at all times.

You must devote your full time and efforts to managing the general business matters of the Juice and Snack Bar. Further, you may not, during the term of the Franchise Agreement, engage in any conflicting enterprises. Also, you are bound by confidentiality requirements discussed in Article VIII of the Franchise Agreement and non-competition covenants discussed in Article XIV of the Franchise Agreement.

Area Development Agreement

Area Developer must devote his or her full time to the supervision of Juice and Snack Bars operated in the Development Area unless Area Developer designates an individual to supervise the Juice and Snack Bars known as an "operator." Area Developer, if it is a corporation or a partnership, may not engage in any other related business activity during the term of the Area Development Agreement without our consent.

We may require Area Developer to hire an experienced food service professional who will operate Area Developer's Juice and Snack Bars.

Area Developer, or the operator designated by the Area Developer, must successfully complete our training course. Any operator designated by Area Developer must (i) devote his or her full time to the development and supervision of Juice and Snack Bars; (ii) sign the confidentiality and non-competition covenants by which Area Developer is bound; and (iii) be approved in writing by us. Also, Area Developer is bound by confidentiality requirements and non-competition covenants discussed in the Area Development Agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must operate your It's Boba Time Juice and Snack Bar in accordance with the System standards (including required products and services). We have the right, without limitation, to change the types of products and services that you are authorized to sell at our sole discretion. We may also, at any time, and in our sole discretion, disapprove the sale of certain items sold at your It's Boba Time Juice and Snack Bar, and you must stop selling those items upon written notice from us to do so.

There are no restrictions on the customers to whom you can sell the products at your It's Boba Time Juice and Snack Bar. However, you may not use your shop for any purposes other than the operation of the It's Boba Time Juice and Snack Bar in full compliance with the Franchise Agreement and Manual, without our prior written approval. You must purchase, use and offer each of and only the types, brands and quality of products and services we designate.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

This table lists important provisions of the franchise and related agreements pertaining to renewal, termination, transfer and dispute resolution. You should read these provisions in the agreements attached to this Franchise Disclosure Document.

FRANCHISE AGREEMENT

Provision	Article in Franchise Agreement	Summary
a. Term of the franchise	IV	10 years
b. Renewal or extension of the term	IV	One additional term of 10 years
c. Requirements for you to renew or extend	IV	You have been in substantial compliance with agreement, pay renewal fee. You may have to remodel the Juice and Snack Bar, at your expense, and sign a Franchise Agreement in effect at the time of renewal which may contain materially different terms and conditions than the agreement you signed originally.
d. Termination by you	None	The Franchise Agreement does not provide for this. But you may seek to terminate on any grounds available to you at law
e. Termination by us without cause	None	
f. Termination by us with cause	XVII	We can terminate only if you commit any one of several listed violations
g. "Cause" defined – defaults which can be cured	XVII	30 days for operations defaults, 30 days for monetary defaults, 24 hours for health code violations
h. "Cause" defined – defaults which cannot be cured	XVII	Conviction of a felony, abandonment, unapproved transfers, bankruptcy, assignment for benefit of creditors, repeated violations

Provision	Article in Franchise Agreement	Summary
i. Your obligations on termination/non-renewal	XVIII	Pay outstanding amounts, de-identification, return of confidential information and telephone numbers (see also below)
j. Assignment of contract by us	XX	No restriction on our right to assign. However, no assignment will be made except to an assignee who, in our good faith judgment is willing and able to assume our obligations under the Franchise Agreement
k. "Transfer" by you – definition	XX	Includes transfer of contract of assets or any ownership change
l. Our approval of transfer by you	XX	We have the right to approve all transfers, our consent not to be unreasonably withheld
m. Conditions for our approval of transfer	XX	Franchisee undergoes Franchisor's pre-transfer inspection and corrects, updates and/or replaces any deficiencies identified by Franchisor; Transferee qualifies, all amounts due are paid in full, transferee completes training, transfer fee paid, then-current contract signed
n. Our right of first refusal to acquire your business	XX	We can match any offer
o. Our option to purchase your business	XX	We can buy the business on termination or non-renewal for the formula price described in Article XX
p. Your death or disability	XX and XXI	Franchise must be assigned to approved buyer within 12 months or transferred to an heir or representative
q. Non-competition covenants during the term of the franchise	XXIV	Can't divert business or operate a competing business anywhere
r. Non-competition covenants after the franchise is terminated or expires	XXIV	No competing business for two years, within 25 miles of any other Juice and Snack Bar

Provision		Article in Franchise Agreement	Summary
s.	Modification of the agreement	XXXII	No modifications generally but Operations Manual subject to change. Revisions to the Operations Manual will not unreasonably affect your obligations, including economic requirements, under the Franchise Agreement
t.	Integration/merger clause	XXXII	Any representations or promises outside of the disclosure document and franchise agreement many not be enforceable.
u.	Dispute resolution by arbitration or mediation	XXX	Except for certain claims, all disputes must be arbitrated in California (subject to state law)
v.	Choice of forum	XXX	Arbitration in California (subject to state law)
w.	Choice of law	XXIX	California law applies (subject to state law)

AREA DEVELOPMENT AGREEMENT

Provision		Section in Area Development Agreement	Summary
a.	Term of the Area Development Agreement	VI	Length of the Development Schedule, which can be as short as five years or as long as 20 years
b.	Renewal or extension of the term	V	After all Juice and Snack Bars have been developed, we will negotiate in good faith another Area Development Agreement
c.	Requirements for you to renew or extend	V	There are none
d.	Termination by you	None	The Agreement does not provide for this. But you may seek to terminate on any grounds available to you at law
e.	Termination by us without cause	None	

Provision	Section in Area Development Agreement	Summary
f. Termination by us with cause	IX	We can terminate if you commit any one of several listed violations, which include failure to meet the development schedule, unauthorized use of the Proprietary Marks, sale of competing products, failure to make required payments, illegal assignments, making of material misrepresentations, failure to obtain approval for a site, any other breach of the agreement or a bankruptcy
g. "Cause" defined – defaults which can be cured	IX	These are listed in this Section
h. "Cause" defined – defaults which cannot be cured	IX	These are also listed in this Section
i. Your obligations on termination/non-renewal	X	Stop selecting sites, can't open Juice and Snack Bars
j. Assignment of contract by us	XI	No restriction on our right to assign. However, no assignment will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under the Area Development Agreement
k. "Transfer" by you – definition	XI	Includes transfer of any interest in the Area Development Agreement
l. Our approval of transfer by you	XI	We have the right to approve all transfers, our consent not to be unreasonably withheld
m. Conditions for our approval of transfer	XI	Conditions for transfer include not being in default, all debts are paid, the buyer meets our current criteria for new area developers, execution of a general release (where legal), payment of 10% transfer fee (10% of development fee), buyer personally guarantees all obligations
n. Our right of first refusal to acquire your business	XI	We have the right to match the offer
o. Our option to purchase your business	None	

Provision		Section in Area Development Agreement	Summary
p.	Your death or disability	XI	Option passes to estate
q.	Non-competition covenants during the term of the franchise	XII	Can't divert business or operate a competing business anywhere
r.	Non-competition covenants after the franchise is terminated or expires	XII	No competing business for two years and within a 25 mile radius of any Juice and Snack Bar
s.	Modification of the agreement	XVIII	No modifications except by mutual agreement of the parties. Revisions to the Area Development Agreement will not unreasonably affect your obligations, including economic requirements under the Area Development Agreement
t.	Integration/merger clause	XVIII	Any representations or promises outside of the disclosure document and franchise agreement many not be enforceable.
u.	Dispute resolution by arbitration or mediation	XIX	Except for certain claims, all disputes must be arbitrated in California (subject to state law)
v.	Choice of forum	XIX	Arbitration in California (subject to state law)
w.	Choice of law	XVIII	California (subject to 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 our management by contacting Ms. Eunice Unmi Pak, President of It's Boba Time, Inc.. at 701 S. Vermont Ave., Los Angeles, CA 90005 (213) 251-0001, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Item 20(1) Table –
Systemwide Outlet Summary
For years 2016 to 2018

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2016	9	14	+5
	2017	14	16	+2
	2018	16	28	+12
Company or Affiliate-Owned	2016	2	3	+1
	2017	3	4	+1
	2018	4	4	0
Total Outlets	2016	11	17	+6
	2017	17	20	+3
	2018	20	32	+12

Item 20(2) Table –
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2016 to 2018

State	Year	Number of Transfers
CA	2016	2
	2017	3
	2018	0
Total	2016	2
	2017	3
	2018	0

Item 20(3) Table –
Status of Franchised Outlets
For years 2016 to 2018

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at the End of Year
CA	2016	9	5	0	0	0	0	14
	2017	14	4	1	0	0	1	16
	2018	16	12	0	0	0	0	28
Totals	2016	9	5	0	0	0	0	14
	2017	14	4	1	0	0	1	16
	2018	16	12	0	0	0	0	28

Item 20(4) Table –
Status of Company-Owned Outlets
For years 2016 to 2018

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at the End of Year
CA	2016	2	1	0	0	0	3
	2017	3	1	0	0	0	4
	2018	4	1	0	0	1	4
Totals	2016	2	1	0	0	0	3
	2017	3	1	0	0	0	4
	2018	4	1	0	0	1	4

Item 20(5) Table –
Projected Openings in 2019

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
CA	19	20	3
Total	19	20	3

If you buy It's Boba Time franchise, your contact information may be disclosed to other buyers when you leave the franchise system. Attached to this Franchise Disclosure Document as Exhibit F is a list of names of all current franchisees and the address and telephone number of each of their outlets. Exhibit G provides a list of name, city and state, and the last known telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business during the most recently completed fiscal year or who has not communicated with the franchisor within 10 weeks of the disclosure document issuance date.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with It's Boba Time, Inc. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

ITEM 21
FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit H is our audited financial statements as of December 31, 2016, December 31, 2017 and December 31, 2018. Our fiscal year end is December 31st.

ITEM 22
CONTRACTS

This Disclosure Document includes a sample of the following documents:

Franchise Agreement – Exhibit C
Area Development Agreement – Exhibit D

ITEM 23
RECEIPT

The last page of this Disclosure Document contains a detachable Receipt form which you must date, sign, and return to us immediately upon your receipt of this Disclosure Document.

EXHIBIT A

STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

CALIFORNIA

Department of Business Oversight
Suite 750
320 West 4th Street
Los Angeles, CA 90013
(213) 738-2741
Toll Free No.: 1 866 275 2677

Agent: California Commissioner of Business Oversight

HAWAII

Securities Examiner
1010 Richards Street
Honolulu, Hawaii 96813
(808) 548-2021

Agent: Director of Hawaii Department of Commerce and Consumer Affairs

ILLINOIS

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

Agent: Illinois Attorney General

MARYLAND

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

Agent: Maryland Securities Commissioner
200 St. Paul Place
Baltimore, Maryland 21202-2020

MICHIGAN

Consumer Protection Division
Antitrust and Franchise Unit
Michigan Department of Attorney General
670 Law Building
Lansing, Michigan 48913
(517) 373-7177

Agent: Michigan Department of Commerce Corporations and Securities Bureau

MINNESOTA

Minnesota Department of Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55101-2198
(651) 296-4026

Agent: Minnesota Commissioner of Commerce

INDIANA

Franchise Section
Indiana Securities Division
Room E-111
302 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6681

Agent: Indiana Secretary of State
Indiana Securities Division
201 State House
Indianapolis, IN 46204

NEW YORK

Bureau of Investor Protection and Securities
New York State Department of Law
23rd Floor
120 Broadway
New York, New York 10271
(212) 416-8211

Agent: New York Secretary of State

NORTH DAKOTA

Office of Securities Commissioner
Fifth Floor
600 East Boulevard
Bismarck, North Dakota 58505
(701) 328-2910

Agent: North Dakota Securities Commissioner

OREGON

Department of Insurance and Finance
Corporate Securities Section
Labor and Industries Building
Salem, Oregon 97310
(503) 378-4387

Agent: Director of Oregon Department of Insurance and Finance

NEBRASKA

Nebraska Department of Banking and Finance
1200 N Street
P.O. Box 95006
Lincoln, Nebraska 68509-5006

SOUTH DAKOTA

Division of Securities
c/o 118 West Capitol
Pierre, South Dakota 57501
(605) 773-4013

Agent: Director of South Dakota Division Securities

TEXAS

Secretary of State
P.O. Box 12887
Austin, Texas 78711

VIRGINIA

State Corporation Commission
1300 East Main Street
Richmond, Virginia 23219
(804) 371-9051

Agent: Clerk of the State Corporation Commission

RHODE ISLAND

Division of Securities
Suite 232
233 Richmond Street
Providence, Rhode Island 02903
(401) 222-3048

Agent: Director of Rhode Island Department of Business Regulation

WISCONSIN

Securities and Franchise Registration
Wisconsin Securities Commission
P.O. Box 1768
Madison, Wisconsin 53703
(608) 266-8559

Agent: Wisconsin Commissioner of Securities

WASHINGTON

Director
Department of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, Washington 98507
(360) 902-8760

Agent: Securities Administrator, Director of Department of Financial Institutions

EXHIBIT B

STATE SPECIFIC ADDENDUM

California

Neither the franchisor nor any person identified in Item 2 of this Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling the person from membership in the association or exchange.

California Business and Professions Code §§ 20000 through 20043 provide rights to the 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 that continues after the termination of the franchise. This provision may not be enforceable under California law.

Under both the California Franchise Relations Act and the Franchise Investment Law, a provision in a Franchise Agreement that requires you to waive your rights under either or both of these laws is void. Any release of claims that the franchisor asks you to sign will specifically exclude claims under these franchise laws.

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

The franchise agreement and development agreement contain a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The franchise agreement and development agreement requires binding arbitration. The arbitration will occur at Los Angeles, and the arbitrators have the discretion to assess the costs of arbitration, including reasonable arbitrators' and attorneys' fees in proportions as the arbitrators may determine. 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.

You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the

Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

OUR WEBSITE ADDRESS IS WWW.ITSBOBATIME.COM. 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.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF EACH PROPOSED AGREEMENT RELATING TO THE GRANT OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

Illinois

Many states have status concerning the relationship between franchisor and franchisee. These statutes deal with such matters as renewal and termination of franchises. Provisions of this sort will prevail over inconsistent terms in a franchise agreement. Illinois has such a statute (915 ILCS 705/19 and 705/20).

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 includes a choice of law clause designating another state's law as the governing law. Under Illinois law, a Franchise Agreement may not provide for a choice of law of any state other than Illinois. Accordingly, Item 17 w. is amended to state "none" under the heading for "Summary." The Franchise Agreement is amended to omit Section XXV.

The Franchise Agreement requires franchisee to sign a release of claims as a condition for transfer or renewal of the franchise. Under the law of Illinois, any provision that purports to bind a person acquiring a franchise to waive compliance with the franchise disclosure law of Illinois is void. Accordingly, insofar as the Franchise Agreement requires franchisee to waive franchisee's rights under the Illinois franchise law, these requirements are deleted from the Franchise Agreement. This provision will not prevent the franchisor from requiring franchisee to sign a release of claims as part of a negotiated settlement of a dispute.

Maryland

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 says that franchisor may require franchisee to sign a release of claims, other than claims that may not be waived in advance under applicable law, as a condition of renewal or transfer of your franchise. Under Maryland law, the release will not apply to any liability under the Maryland Franchise Registration and Disclosure law.

Under the Franchise Agreement, franchisee must disclaim the occurrence and/or acknowledge the non-occurrence of acts that might constitute a violation of the Maryland franchise law. These representations are not intended to nor do they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the franchise is granted.

Michigan

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

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

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

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than thirty (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 five (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 six (6) months' advance notice of franchisor's intent not to renew the franchise.

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

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

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

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

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

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

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

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

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

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.

A FRANCHISE SHALL NOT BE SOLD IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST TEN (10) BUSINESS DAYS BEFORE THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT OR AT LEAST TEN (10) BUSINESS DAYS BEFORE THE RECEIPT OF ANY CONSIDERATION, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE STATEMENT DESCRIBED IN THIS STATUTE.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, franchisee has the right to request an escrow arrangement.

Any questions regarding this notice should be directed to:

Consumer Protection Division
Attn: Marilyn McEwen
670 Law Building
Lansing, Michigan 48913
(517) 373-7117

Minnesota

The Franchise Agreement requires binding arbitration. The arbitration will occur in a state other than Minnesota, with costs being borne by the non-prevailing party. Under Minnesota Statutes § 80C.21 and Minnesota Rule Part 2860.4400J, this provision may not in any way invalidate or reduce any of the franchise owner's rights that are listed in Chapter 80C of the Minnesota Statutes.

The Franchise Agreement requires application of the laws of a state other than Minnesota. Under Minnesota Statutes § 80C.21 and Minnesota Rule Part 2860.4400J, this provision may not in any way invalidate or reduce any of the franchise owner's rights that are listed in Chapter 80C of the Minnesota Statutes.

With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C. 14, Subds. 3, 4, and 5 which require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice of non-renewal of the Franchise Agreement.

The Franchise Agreement requires you to sign a release of claims as a condition of renewing or transferring a franchise. Minnesota Rule Part 2860.4400J prohibits franchisor from requiring franchisee to sign a release of claims arising under the Minnesota Franchise Law. Therefore, any release we require you to sign will exclude claims arising under the Minnesota Franchise Law.

The Franchise Agreement provides that franchisor is entitled to a temporary injunction or decree of specific performance. The Franchise Agreement is amended to provide that we are entitled to seek a temporary injunction or decree of specific performance if we can demonstrate to a court of competent jurisdiction that there is substantial likelihood of franchisee's breach or threatened breach of any of the terms of the Franchise Agreement, not that franchisor is necessarily entitled to obtain this relief.

Under Minnesota law, any claim arising under §80C may be brought within three years after the cause of action accrues. The Franchise Agreement is amended to provide for a three-year period within which to bring any Minnesota claims.

New York

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH FRANCHISEE ABOUT ITEMS COVERED IN THIS PROSPECTUS. 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 PROSPECTUS.

Except as stated in Item 3 of this Disclosure Document, neither the franchisor, its predecessor or predecessors nor any person or sales agent identified in Item 2 of this Disclosure Document: (i) has pending any administrative, criminal, or material civil action (or a significant number of civil actions irrespective of materiality) alleging a felony, violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property or comparable allegations; (ii) 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 a misdemeanor or pleaded nolo contendere to a misdemeanor charge or been held liable in a civil action by final judgment or been the subject of a material complaint or other legal proceeding if such misdemeanor conviction or charge or civil action, complaint or other legal proceeding involved violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property or comparable allegations; (iii) is subject to any injunctive or restrictive order or decree relating to franchises or under Federal or State franchise, securities, antitrust, trade regulation or trade practice law as a result of a concluded or pending action or proceeding brought by a public agency.

Neither the franchisor, its affiliate, its predecessor, officers, nor general partner during the 10-year period immediately before the date of the Disclosure Document: (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 the officer or general partner of the franchisor held this position in the company or partnership.

The introduction to Item 17 is amended to read as follows:

THIS TABLE LISTS CERTAIN IMPORTANT PROVISIONS OF THE FRANCHISE AND RELATED AGREEMENTS PERTAINING TO RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION. YOU SHOULD READ THESE PROVISIONS IN THE AGREEMENTS ATTACHED TO THIS DISCLOSURE DOCUMENT.

The Summary column of Item 17d is amended to read: "You may terminate upon any grounds permitted by law."

The Summary column of Item 17j is amended to read: "We may assign only to a financially responsible assignee that we reasonably believe is capable of performing its obligations under the franchise agreement and which expressly assumes these obligations in writing."

The Summary column in Item 17w is amended to add the following: "The foregoing choice of law should not be considered a waiver of any right conferred upon you by the General Business Law of the State of New York, Article 33."

North Dakota

In North Dakota, the Disclosure Document is amended as follows to conform to North Dakota law:

Item 17c is revised to omit any requirement that a general release be signed as a condition of renewal.

Item 17r is amended to add the following: "To the extent that covenants not to compete apply to periods after the term of the franchise, they are generally considered unenforceable in the State of North Dakota."

Item 17u is amended to omit any reference to the location or mediation or arbitration.

Item 17w is amended to state "None."

Rhode Island

The Rhode Island Securities Division requires the following specific disclosures to be made to prospective Rhode Island franchisees:

In spite of the provisions of Item 17v and Item 17w of the Disclosure Document, any litigation or arbitration arising under the Franchise Agreement will take place in Rhode Island or other place mutually agreed to by the franchisee and franchisor.

To the extent required by § 19-28.1-14 of the Rhode Island Franchise Investment Act, the Franchise Agreement will be governed by the laws of the State of Rhode Island.

South Dakota

The Franchise Agreement includes a covenant not to compete after termination of the franchise. Covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of South Dakota, except in certain instances provided by law. The Franchise Agreement provides for arbitration in a state other than South Dakota. Under South Dakota law, arbitration must be conducted at a mutually agreed upon site in accordance with §11 of the Commercial Arbitration Rules of the American Arbitration Association.

The Franchise Agreement designates the law of a state other than South Dakota as the governing law, except that trademark issues are to be under the Landham Act. Franchise registration, employment, covenants not to compete, and other matters of local concern will be governed by the laws of the State of South Dakota, but contractual and all other matters will be subject to application, construction, enforcement and interpretation under the governing law specified by the Franchise Agreement.

Under South Dakota law, any provision in a Franchise Agreement which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue outside South Dakota is void with respect to any cause of action which is governed by the law of South Dakota.

Under South Dakota law, termination provisions covering breach of the Franchise Agreement, failure to meet performance and quality standards, and failure to make royalty payments contained in the Disclosure Document and Franchise Agreement must afford a franchisee thirty (30) days written notice with an opportunity to cur the default prior to termination. Under SDL 37-5A-86, any condition, stipulation or provision purporting to waive compliance with any provision of this chapter, or any rule or order is avoid.

An acknowledgment, provision, disclaimer or integration clause or a provision having a similar effect in a Franchise Agreement does not negate or act to remove from judicial review any statement, misrepresentation or action that would violate the South Dakota franchise law or a rule or order under the South Dakota franchise law.

Washington

The State of Washington has a statute, RCW 19.100.180, that 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 the franchise.

In Washington, provisions of the Franchise Agreement which unreasonably limit the statute of limitations or remedies under the Washington Franchise Investment Act, such as the right to jury trial, may not be enforceable.

The Franchise Agreement requires application of the laws of a state other than Washington. If there is a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chap. 19.100 RCW, will prevail.

The Franchise Agreement requires franchisee to sign a release of claims as a condition of renewing or transferring the franchise. A release or waiver of rights signed by a franchise owner may not include rights under the Washington Franchise Investment Protection Act.

Under Washington law, transfer fees may be collected only to the extent that they reflect the franchisor's reasonable estimated or actual costs in connection with the transfer.

EXHIBIT C

FRANCHISE AGREEMENT AND ITS EXHIBITS

BOBA TIME, INC.

FRANCHISE AGREEMENT

BOBA TIME, INC.

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BOBA TIME, INC.

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT, made this _ day of _________ 20__, by and between BOBA TIME, INC., a California corporation with its corporate headquarters office at 701 S. Vermont Ave., Los Angeles, California 90005 ("Franchisor") and Franchisee residing at ____________________ ____ ("Franchisee").

RECITALS:

A. Franchisor franchises certain specialty juice and snack bars known as "IT'S BOBA TIME," selling and serving freshly-prepared fruit-based beverages, snacks and other food items ("Menu Items" or "Products") and provide carry-out, delivery (at certain locations), and on-premises dining services. Franchisor's juice and snack bars are operated under certain trademarks, service marks, logos and other commercial symbols, including without limitation "IT'S BOBA TIME" ("Marks") which are owned by Franchisor, and pursuant to certain confidential information and trade secrets. Such juice and snack bars are operated with uniform formats, designs, systems, methods, specifications, standards and procedures, all of which may be improved, further developed or otherwise modified from time to time by Franchisor ("System").

B. Franchisor grants to persons who meet Franchisor's qualifications and who are willing to undertake the investment and effort to establish and develop a "ITS BOBA TIME" Juice and Snack Bar, a franchise to own and operate such a juice and snack bar, offering the Products and services approved by Franchisor and utilizing Franchisor's formats, designs, methods, specifications, standards, operating procedures and the Marks.

C. Franchisee received a copy of this Agreement five (5) days before the date of execution of this Agreement; and Franchisee received Franchisor's Franchise Disclosure Document ("FDD") by the earliest of (i) the first personal meeting with Franchisor to discuss the franchise; (ii) fourteen (14) business days before executing this Agreement; or (iii) fourteen (14) business days before making any payment to Franchisor.

D. Franchisee acknowledges that Franchisee has read this Agreement and the FDD and that Franchisee understands and accepts the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain Franchisor's high standards of quality and service and the uniformity of those standards at all "IT'S BOBA TIME" Juice and Snack Bars in order to protect and preserve the goodwill of the Marks.

E. Franchisee: (i) acknowledges that Franchisee has conducted an independent investigation of the business contemplated by this Agreement; (ii) recognizes that, like any other business, the nature of the business conducted by "ITS BOBA TIME" Juice and Snack Bars may evolve and change over time; (iii) acknowledges that an investment in an "ITS BOBA TIME" Juice and Snack Bar involves business risks; and (iv) recognizes that the success of the venture is largely dependent upon the business abilities and efforts of Franchisee.

F. Franchisor expressly disclaims the making of, and Franchisee acknowledges that Franchisee has not received or relied upon, any warranty or guaranty, express or implied, as to the revenues, profits or success of the business venture contemplated by this Agreement. Franchisee: (i) acknowledges that Franchisee has not received or relied on any representations about the franchise by

Franchisor, or its officers, directors, employees or agents, that are contrary to the statements made in Franchisor's FDD or to the terms and conditions contained in this Agreement; and (ii) represents to Franchisor, as an inducement to Franchisor to enter into this Agreement, that Franchisee has made no misrepresentations in obtaining the franchise.

G. Franchisee has applied for a franchise to own and operate a single "ITS BOBA TIME" Juice and Snack Bar at the premises identified in Article I below, and the application has been approved by Franchisor in reliance on all of the representations made in the application.

In consideration of the above recitals and the mutual promises and covenants made in this Agreement, Franchisor and Franchisee agree as follows:

ARTICLE I
GRANT OF FRANCHISE

1.1 Subject to the terms and conditions contained in this Agreement, Franchisor grants to Franchisee the right to own and operate a "ITS BOBA TIME" Juice and Snack Bar at, and only at, the premises approved by Franchisor in accordance with the provisions of this Agreement (the "Juice and Snack Bar"), and to use the Marks in the operation of the Juice and Snack Bar.

1.2 Unless an approved location has been selected by Franchisee at the time this Agreement is executed, Franchisee shall select the location of the Juice and Snack Bar, subject to Franchisor's approval, within the timeframe as agreed upon in Development Schedule attached to this Agreement.

1.3 The franchise location set forth in Exhibit "A" may not be altered or changed by Franchisee without Franchisor's prior written approval. In the event there is such an approval, the new franchise location shall become the "Franchise Location," under the terms of this Agreement.

1.4 Except as expressly limited by Section 1.1, Franchisor and its affiliates retain all rights with respect to Juice and Snack Bars, the Marks and the sale of Products and any other products and services anywhere in the world, including, without limitation, the rights:

(a) to produce, offer and sell, and to grant others the right to produce, offer and sell the Products and any other goods and services through similar or dissimilar channels of distribution under trade and service marks other than the Marks and under any terms and conditions Franchisor deems appropriate;

(b) to produce, offer and sell, and to grant others the right to produce, offer and sell the Products and any other goods and services through dissimilar channels of distribution under the Marks and under any terms and conditions Franchisor deems appropriate;

ARTICLE II
DEVELOPMENT AND OPENING OF THE RESTAURANT

Lease of Juice and Snack Bar Premises:

2.1 Franchisor shall have the right, in its sole discretion, to require:

A. Franchisee to execute a Site Location Addendum in the form attached as Exhibit "D" to this Agreement;

B. Franchisee to conditionally assign such lease to Franchisor (with the consent of the lessor, if required) by conditional lease assignment provisions in the form attached as Exhibit "C" to this Agreement in order to secure performance of any and all of Franchisee's liabilities and obligations to Franchisor; or

C. That such lease contain substantially the following provisions:

1. "Anything contained in this lease to the contrary notwithstanding, Lessor agrees that without its consent, this lease and the right, title and interest of the Lessee hereunder may be assigned by the Lessee to BOBA TIME, INC., a California corporation, or its designee."

2. "Lessee agrees that Lessor may, upon the written request of BOBA TIME, INC. disclose to BOBA TIME, INC. all reports, information or data in Lessor's possession respecting sales made in, upon or from the leased premises."

3. "Lessor shall give written notice to BOBA TIME, INC. (concurrently with the giving of such notice to Lessee) of any default by Lessee under the lease, and BOBA TIME, INC. shall have the right, in its sole discretion, to cure any such default. Such notice shall be sent to BOBA TIME, INC. at its headquarters, or such other address as BOBA TIME, INC. may from time to time specify in writing to Lessor."

2.2 Franchisor shall have the right to approve the terms of any sublease or lease for the premises of the Juice and Snack Bar. If Franchisor cures any default by Franchisee under such lease, the total amount of all costs and payments incurred by Franchisor in effecting such cure shall be immediately due and owing by Franchisee to Franchisor.

2.3 Franchisee's execution of a sublease or lease for the location for Franchisee's Juice and Snack Bar, which shall take place within 365 days after the execution of this Agreement, shall constitute acceptance by Franchisee of such location and site and the terms of such lease and shall constitute a waiver of any claim or rights against Franchisor relating to Franchisee's choice of such site and location, and of the terms of such sublease or lease.

<u>Development of Juice and Snack Bar</u>:

2.4 Franchisor will furnish to Franchisee prototype or proto-style plans and specifications for a Juice and Snack Bar reflecting Franchisor's requirements for dimensions, exterior design, interior design and layout, image, building materials, fixtures, equipment, furniture, signs and decor.

2.5 Within three hundred sixty five (365) days after signing the lease as provided in Section 2.3 above , Franchisee will do or cause to be done the following:

A. Secure all financing required to fully develop the Juice and Snack Bar;

B. Prepare, at Franchisee's expense, and submit to Franchisor for approval (which approval may be granted or withheld at Franchisor's sole discretion) any proposed modifications to Franchisor's prototype or proto-style plans and specifications, which may be modified only to the extent necessary to comply with applicable ordinances, building codes, permit requirements and lease or deed requirements and restrictions, all such modifications being subject to prior notification to, and approval by, Franchisor;

C. Obtain all required building, utility, sign, health, sanitation and business permits and licenses, and any other required permits and licenses;

D. Construct all required improvements to the premises, purchase and install all required fixtures and equipment and decorate the premises in compliance with plans and specifications approved by Franchisor; and

E. Purchase, in accordance with Franchisor's specifications and requirements, an opening inventory of proprietary Products, Menu Items, ingredients and other products and supplies required for the opening of the Juice and Snack Bar.

2.6. Franchisee will do or cause to be done the following with respect to the development of the Juice and Snack Bar:

A. Obtain all required construction and sign permits and licenses;

B. Complete the construction of all required improvements to the premises and decorate the premises in accordance with Franchisor's specifications;

C. Purchase or lease and install all fixtures, furnishings, equipment, signs and the opening food and beverage inventory and operating supplies and other materials in accordance with Franchisor's specifications.

Franchisee shall use Franchisee's best efforts to complete development and have the Juice and Snack Bar ready to open within three hundred sixty five (365) days after Franchisee obtains possession of the premises. Franchisee shall (1) obtain bids and conclude a contract with a suitable general contractor or contractors for the construction of the Juice and Snack Bar; (2) obtain bids and conclude orders for the signs, fixtures, furnishings, equipment and operating supplies and materials; (3) make all decisions concerning the construction, furnishing, equipping and staffing of the Juice and Snack Bar; (4) maintain a current and complete accounting of the costs of development of the Juice and Snack Bar; and (5) supervise the construction, furnishing, equipping and staffing of the Juice and Snack Bar, in the time frames necessary to complete the development of the Juice and Snack Bar on schedule. All final decisions concerning the development of the Juice and Snack Bar which are discretionary and not dictated by Franchisor's written specifications shall be made by Franchisee, with the consultation and advice of Franchisor. Within a reasonable time after the completion of development, a final accounting of all costs of development of the Juice and Snack Bar, along with copies of all contracts, lien waivers, other paid receipts and equipment warranties, shall be provided by Franchisee to Franchisor. Franchisee may, at Franchisee's option, purchase or lease equipment for the Juice and Snack Bar.

Fixtures, Equipment, Furniture and Signs:

2.7 Franchisee will use, in the construction and operation of the Juice and Snack Bar, only those brands, types or models of construction and decorating materials, fixtures, equipment, furniture and signs that Franchisor has approved for Juice and Snack Bars as meeting its specifications and standards for quality, design, appearance, function and performance. Franchisee further agrees to place or display at the premises of the Juice and Snack Bar only such signs, emblems, lettering, logos and display materials that are from time to time approved in writing by Franchisor. Franchisee may purchase approved types or models of construction and decorating materials, fixtures, equipment, furniture and signs from any supplier approved or designated by Franchisor (which may include Franchisor and/or its affiliates), which approval may not be unreasonably withheld. If Franchisee proposes to purchase any type or model of construction or decorating material, fixture, equipment, furniture or sign not then approved by Franchisor, and/or any such item from any supplier which is not then approved by Franchisor, Franchisee shall first notify Franchisor in writing and shall submit to Franchisor sufficient specifications, photographs, drawings and/or other information or samples for a determination by Franchisor of whether such brand or type of construction or decorating material, fixture, equipment, furniture or sign complies with its specifications and standards. Franchisor may, in its sole discretion, refuse to approve any such item(s) and/or supplier(s) that does not meet Franchisor's standards or specifications.

Juice and Snack Bar Opening:

2.8 Franchisee will not open the Juice and Snack Bar for business until:

A. Franchisor determines that the Juice and Snack Bar has been constructed and equipped in accordance with approved plans and specifications;

B. Franchisee and Franchisee's manager(s) have completed training to Franchisor's reasonable satisfaction;

C. The Initial Franchise Fee and all other amounts due to Franchisor under this Agreement and any other related agreements to which Franchisee is a party have been paid;

D. Franchisor has been furnished with copies of all insurance policies required by Article XII of this Agreement, or such other evidence of insurance coverage as Franchisor requests; and

E. Franchisor's personnel are available to assist and be present at the opening of the Juice and Snack Bar if Franchisor, in its sole discretion, deems it necessary.

2.9 Franchisee will use its best efforts to have the Juice and Snack Bar ready to open for business within four (4) months after the date a Franchisee's lease or sublease is executed. Final approval by Franchisor of the opening of the Juice and Snack Bar shall be given in writing and shall be in Franchisor's sole discretion. Franchisee will open the Juice and Snack Bar for business within fourteen (14) days after receipt of such written notice from Franchisor.

Relocation of Juice and Snack Bar:

2.10 If Franchisee's lease or sublease for the premises of the Juice and Snack Bar terminates without fault of Franchisee, or if the premises are damaged, condemned or otherwise unusable, or if in the reasonable judgment of Franchisor and Franchisee there is a change in the character of the location of the Juice and Snack Bar sufficiently detrimental to its business potential to warrant its relocation, Franchisor shall grant permission to Franchisee for relocation of the Juice and Snack Bar to a location approved by Franchisor. Any such relocation shall be at Franchisee's sole expense, and Franchisor shall have the right to charge Franchisee for costs and expenses incurred by Franchisor in connection with any relocation.

2.11 In the event of a relocation of the Juice and Snack Bar, Franchisee shall promptly remove from the first Juice and Snack Bar premises, and discontinue using for any purposes, any and all signs, fixtures, furniture, posters, furnishings, equipment, menus, advertising materials, stationery supplies, forms and other articles which display any of the Marks or any distinctive features or designs associated with ITS BOBA TIME Juice and Snack Bars. Furthermore, Franchisee shall, at Franchisee's expense, immediately make such modifications or alterations as may be necessary to distinguish the first Juice and Snack Bar so clearly from its former appearance and from other ITS BOBA TIME Juice and Snack Bars and to prevent any possibility of confusion of the first Juice and Snack Bar with an ITS BOBA TIME Juice and Snack Bar by the public (including, without limitation, removal of all distinctive physical and structural features identifying ITS BOBA TIME Juice and Snack Bars and removal of all distinctive signs and emblems). Franchisee shall, at Franchisee's expense, make such specific additional changes as Franchisor may reasonably request for this purpose. If Franchisee fails to initiate immediately or complete such alterations within such period of time as Franchisor deems appropriate, Franchisee agrees that Franchisor or its designated agents may enter the premises of the first Juice and Snack Bar and adjacent areas at any time to make such alterations, at Franchisee's sole risk and expense, without responsibility for any actual or consequential damages to the property of Franchisee or others, and without liability for trespass or other tort or criminal act. Franchisee expressly acknowledges that Franchisee's failure to make such alterations will cause irreparable injury to Franchisor, and consents to entry, at Franchisee's expense, of an ex-parte order by a court of competent jurisdiction authorizing Franchisor or its agents to take such action, if Franchisor seeks such an order. Compliance with the foregoing shall be a condition subsequent to Franchisor's approval of any relocation request by Franchisee, and in the event complete de-identification of the first Juice and Snack Bar premises is not promptly and completely undertaken, Franchisor may then revoke its permission for relocation and declare a default under this Agreement pursuant to Article XVII below.

ARTICLE III
PROPRIETARY MARKS AND GOODWILL

3.1 When used in this Agreement, "Marks" mean the trademarks and service marks which are used to identify Juice and Snack Bars and to distinguish it from that of any other business, and the trademarks, service marks, trade names, logos and commercial symbols as may be designated by Franchisor from time to time for use in connection with the System.

3.2 Franchisee is authorized to use the Marks, goodwill and trade secrets in the operation of the Juice and Snack Bar only at the location specified in Article I. Nothing in this Agreement shall be construed as authorizing or permitting their use at any other location or for any other purpose except as may be authorized in writing by Franchisor. Franchisee understands and agrees that the limited license to use the Marks granted hereby applies only to such proprietary marks as are designated by Franchisor, and which are not subsequently designated by Franchisor as being withdrawn from use, together with those which may hereafter be designated by Franchisor in writing. Franchisee expressly understands and agrees that Franchisee will not represent in any manner that Franchisee has acquired any ownership or equitable rights in any of Franchisor's Marks by virtue of the limited license granted hereunder, or by virtue of Franchisee's use of any of the Marks.

3.3 Franchisee acknowledges that Franchisor is the sole owner of all of the Marks, goodwill and trade secrets, and that Franchisee shall not register or attempt to register the Marks or to assert any rights in them other than as specifically granted in this Agreement.

3.4 At Franchisor's request, Franchisee shall assign, transfer or convey to Franchisor, in writing, all additional rights, if any, that may be acquired by Franchisee as a result of Franchisee's use of Marks.

3.5 Franchisee shall only use the Marks, logos, trade styles, color combinations, designs, signs, symbols and slogans of Franchisor, and only in the manner and to the extent specifically permitted by this Agreement or in any manuals, directives or memos (collectively referred to below as "Confidential Operations Manuals") prepared by Franchisor. Franchisee shall not use any confusingly similar Marks in connection with its franchise or any other business in which it has an interest.

3.6 Franchisor reserves the right to approve all signs, memos, stationery, business cards, advertising material forms and all other objects and supplies using Franchisor's Marks. All advertising, publicity, point of sale materials, signs, decorations, furnishings, equipment, or other materials employing the words "IT'S BOBA TIME" shall comply with this Agreement and the Confidential Operations Manuals, and Franchisee shall obtain Franchisor's approval prior to such use.

3.7 If at any time, Franchisor in its sole discretion, decides to modify or discontinue use of any Mark and/or to adopt or use one or more additional or substitute proprietary marks, then Franchisee shall comply with any such instruction by Franchisor. In such event and at Franchisor's direction, Franchisee shall adopt, use and display only such new or modified Marks, and shall promptly discontinue the use and display of outmoded or superseded marks, at Franchisee's expense. Franchisee waives any claim arising from or relating to any proprietary mark change, modification or substitution. Franchisor will not be liable to Franchisee for any expenses, losses or damages sustained by Franchisee as a result of any proprietary mark addition, modification, substitution or discontinuation. Franchisee will not commence or join in any litigation or other proceeding against Franchisor for any of these expenses, losses or damages.

3.8 Upon the expiration, termination or non-renewal of this Agreement, Franchisee shall immediately cease using Franchisor's Marks, color combinations, designs, symbols or slogans; and Franchisee shall execute such documents and take such action as Franchisor may deem necessary or appropriate to evidence this fact. After the effective date of expiration, termination or non-renewal, Franchisee shall not represent or imply that Franchisee is associated with Franchisor. To this end, Franchisee irrevocably appoints Franchisor or its nominee to be Franchisee's attorney-in-fact to execute, on Franchisee's behalf, any document or perform any legal act necessary to protect Franchisor's Marks from unauthorized use. Franchisee acknowledges and agrees that the unauthorized use of Franchisor's Marks will result in irreparable harm to Franchisor, for which Franchisor may obtain injunctive relief, monetary damages, reasonable attorneys' fees and costs.

3.9 Franchisee shall immediately notify Franchisor of any apparent infringement of or challenge to Franchisee's use of the Marks, or any claim, demand, or suit based upon or arising from the unauthorized use of, or any attempt by any other person, firm, or corporation to use, without authorization, or any infringement of or challenge to, any of Franchisor's Marks. Franchisee will immediately notify Franchisor of any other claim, demand or litigation instituted by any person, firm, corporation or governmental entity against Franchisor or Franchisee.

3.10 Franchisor shall undertake the defense or prosecution of any litigation concerning Franchisee that relates to any of Franchisor's Marks or that, in Franchisor's judgment, may affect the goodwill of the System; and Franchisor may, in such circumstances, undertake any other action which it deems appropriate. Franchisor shall have sole and complete discretion in the conduct of any defense, prosecution or other action it chooses to undertake. Franchisee shall execute those documents and perform those acts, which in the opinion of Franchisor, are necessary for the defense or prosecution of the litigation or for such other action as Franchisor may undertake.

3.11 In order to develop and maintain high uniform standards of quality and service and to protect the reputation and goodwill of Franchisor, Franchisee will do business and advertise using only the Marks designated by Franchisor. Franchisee shall not do business or advertise using any other name. Franchisee is not authorized to, and shall not, use the name "IT'S BOBA TIME" by itself, as a part of the legal name of any corporation, partnership, proprietorship or other business entity to which Franchisee is associated, or with a bank account, trade account or in any legal or financial connection.

3.12 In order to preserve the validity and integrity of Franchisor's Marks, and to assure that Franchisee is properly employing them in the operation of Franchisee's business, Franchisor and its agents shall have the right at all reasonable times to inspect Franchisee's business, financial books and records, and operations. Franchisee shall cooperate with and assist Franchisor's representative in such inspection.

3.13 Franchisee shall be required to affix the ™ or ® symbol upon all advertising, publicity, signs, decorations, furnishings, equipment or other printed or graphic material employing the words "IT'S BOBA TIME" or any other of Franchisor's Marks, whether presently existing or developed in the future.

3.14 Franchisee acknowledges that it does not have any right to deny the use of Franchisor's Marks to any other franchisees. Franchisee shall execute all documents and take such action as Franchisor may request to allow Franchisor or other franchisees to have full use of the Marks.

3.15 If, during the term of this Agreement, there is a claim of prior use of the "IT'S BOBA TIME" name, or any other of Franchisor's Marks, in the area in which Franchisee is doing business or in another area or areas, Franchisee, at Franchisor's discretion, shall use Franchisor's Marks in such a way to avoid a continuing conflict.

3.16 Franchisor shall indemnify Franchisee against, and reimburse Franchisee for, all damages for which Franchisee is held liable in any proceeding in which Franchisee's use of any Mark pursuant to and in compliance with this Agreement is held to constitute trademark infringement, unfair competition or dilution, and for all costs reasonably incurred by Franchisee in the defense of any such claim brought against Franchisee or in any such proceedings in which he is named as a party, provided that Franchisee has timely notified Franchisor of such claim or proceedings, has otherwise complied with this Agreement, and has tendered complete control of the defense of such to Franchisor. If Franchisor defends such claim, Franchisor shall have no obligation to indemnify or reimburse Franchisee with respect to any fees or disbursements of any attorney retained by Franchisee.

3.17 During the term of this Agreement and any renewal or extension hereof, Franchisee shall identify itself as the owner of the Juice and Snack Bar in conjunction with any use of the Marks, including, but not limited to, on invoices, order forms, receipts, business stationery, contracts with all third parties or entities, as well as the display of such notices in such content and form at such conspicuous locations as Franchisor may designate in writing.

ARTICLE IV
TERM AND RENEWAL

4.1 Except as otherwise provided in this Agreement, the initial term of this franchise (the "Initial Term") shall be for a period commencing upon the execution of this Agreement and concluding on the tenth (10th) year anniversary of the date of execution of this Agreement.

4.2 Subject to the conditions specified in Section 4.3 below, Franchisee shall have the right to renew this Agreement for a period of ten (10) years from the date of the expiration of the Initial Term.

4.3 Franchisee's right of renewal pursuant to Section 4.2 above shall be subject to the following conditions precedent:

A. Neither this Agreement nor the lease or sublease agreement shall have been terminated for any reason, and the lease or sublease is renewable;

B. Franchisee shall not be in default of any provision of this Agreement, any amendment hereof or successor hereto, any sublease agreement, or any other agreement between Franchisor or any subsidiary and/or affiliated corporation and Franchisee has substantially complied with all of the terms and conditions of such agreements during their terms;

C. Franchisee shall have served notice of its intention to exercise its right of renewal not less than twelve (12) months nor more than eighteen (18) months prior to the expiration of the Initial Term;

D. Franchisee shall have effected the improvements to Franchisee's Juice and Snack Bar and its operations required by Franchisor pursuant to Section 4.4 below;

E. Franchisee has satisfied all monetary obligations due and owing to Franchisor, any subsidiary of Franchisor and/or any affiliated corporations of Franchisor and Franchisee has timely met these obligations throughout the term of this Agreement and any other agreement in effect between Franchisor and Franchisee, and any renewals thereof;

F. Franchisee shall execute, upon renewal, Franchisor's then-current form of Franchise Agreement, which agreement shall supersede this Agreement in all respects and terms, and which may differ from the terms of this Agreement, including, without limitation, a higher royalty fee and higher advertising contribution;

G. Franchisee shall execute a general release, in a form prescribed by Franchisor ,on any and all claims against Franchisor, any subsidiary of Franchisor and/or affiliated corporation of Franchisor, and their respective officers, directors, agents and employees;

H. Franchisee shall comply with Franchisor's then-current reasonable qualification and training requirements; and

I. Franchisee shall remit to Franchisor a renewal fee equal one ten thousand ($10,000.00) dollars.

4.4 Within three (3) months of the receipt of a notice to renew from Franchisee pursuant to Section 4.2 hereof, Franchisor shall complete a renewal report specifying the modifications and improvements and repairs, if any, required by Franchisor and which Franchisee must make to Franchisee's Juice and Snack Bar which must be in conformity with the then existing standards, and specifications pertaining to Franchisee's Juice and Snack Bar.

4.5 Franchisor expressly reserves the right to deny Franchisee's renewal in the event that Franchisee abandons Franchisee's Juice and Snack Bar and Franchisee ceases to operate and maintain Franchisee's Juice and Snack Bar in accordance with the terms of this Agreement.

4.6 In the event Franchisee shall continue to operate Franchisee's Juice and Snack Bar following the expiration, termination or non-renewal of this Agreement for any reason, with the express or implied consent of Franchisor, such continuation shall be construed to be an extension of the term of this Agreement only from month-to-month, terminable by either party on no more than thirty (30) days' notice to the other party and otherwise in accordance with all of the provisions of this Agreement.

ARTICLE V
INITIAL AND CONTINUING FEES PAYABLE TO FRANCHISOR

5.1 In consideration of the execution of this Agreement and Franchisor's granting to Franchisee the franchise covered hereby, Franchisee agrees to pay to Franchisor an Initial Franchise Fee of Thirty-Five Thousand Dollars ($35,000) (the "Initial Franchise Fee"), payable upon the execution of this Agreement, which sum shall be deemed fully earned by Franchisor upon receipt thereof and is non-refundable. The Initial Franchise Fee shall be reduced to Twenty-Five Thousand Dollars ($25,000) of Franchisee's second and any additional Juice and Snack Bars opened and in operation.

5.2 In consideration of this franchise granted by this Agreement, the services to be provided by Franchisor, the right to prepare and sell the Products to the general public, and for the use of the Marks during the Initial Term and any subsequent renewals, Franchisee shall pay to Franchisor, in addition to the Initial Franchise Fee, a royalty fee equal to five percent (5%) of the gross sales generated by, from, or through Franchisee's Juice and Snack Bar ("Royalty Fee").

5.3 For the purposes of determining the royalties to be paid, "Gross Sales" shall mean the total selling price of all services and products and all income of every other kind and nature related to the Juice and Snack Bar (including, without limitation, income related to catering and delivery activities, and any sales or orders of food and beverage products or preparation services provided from or related to the Juice and Snack Bar), whether for cash or credit and regardless of collection in the case of credit. In the event of a cash shortage, the amount of Gross Sales shall be determined based on the records of the electronic cash register system and any cash shortage shall not be considered in the determination. Gross Sales shall not include the following:

A. Receipts from the operation of any public telephone installed in the Juice and Snack Bar, or products from vending machines located at the Juice and Snack Bar, except for any amount representing Franchisee's share of such revenues;

B. Sums representing sales taxes collected directly from customers, based upon present or future laws of federal, state or local governments, collected by Franchisee in the operation of the Juice and Snack Bar, and any other tax, excise or duty which is levied or assessed against Franchisee by any federal, state, municipal or local authority, based on sales of specific merchandise sold at or from the Juice and Snack Bar, provided that such taxes are actually transmitted to the appropriate taxing authority;

C. Returns to shippers or manufacturers; and

D. Proceeds from isolated sales of trade fixtures not constituting any part of Franchisee's products and services offered for resale at the Juice and Snack Bar nor having any material effect upon the ongoing operation of the Juice and Snack Bar required under this Agreement.

5.3.1 Franchisor may, from time to time, authorize, in writing, certain other items to be excluded from Gross Sales. Any such permission may be revoked or withdrawn at any time in writing by Franchisor in its discretion. In addition to the foregoing, the following are included within the definition of "Gross Sales" described except as noted below:

(1) The full value of meals furnished to Franchisee's employees as an incident to their employment, except that the value of any discounts extended to such employees may be credited against Gross Sales during the reporting week in which the meals were furnished for the purpose of determining the amount of Gross Sales upon which the Royalty Fee is due; and

(2) All proceeds from the sale of coupons, gift certificates or vouchers; provided that at the time such coupons, gifts certificates or vouchers are redeemed the retail price thereof may be credited against Gross Sales during the reporting week in which such coupon, gift certificate or voucher is redeemed for the purpose of determining the amount of Gross Sales upon which the Royalty Fee is due.

5.4 Royalty Fees are due and payable on the Wednesday of each week ("Payment Date"), relating to the week ending on the preceding Saturday. Franchisee shall remit Royalty Fees, Advertising Fees and any other monies owed to Franchisor under this Agreement via electronic funds transfer or other comparable means. Franchisee shall comply with the procedures established by Franchisor and/or to perform such acts and deliver and execute the Authorization to Honor Checks Drawn By and Payable To Boba Time, Inc. (Exhibit "H") and any other documents as may be necessary to assist in or accomplish such electronic method of payment.

5.4.1 In the event any electronic funds transfer is not honored by Franchisee's bank for any reason, Franchisee shall be responsible for that payment, plus a service charge applied by Franchisor and the bank, if any. Franchisee shall, at all times throughout the term of this Agreement, maintain a minimum balance of Three Thousand Dollars ($3,000.00) in Franchisee's bank account against which such electronic funds transfers shall be drawn for the Juice and Snack Bar operated under this Agreement.

5.5 Royalty Fees or any and all other payments provided for in this Agreement not received by Franchisor within three (3) days of the Payment Date shall be subject to interest on a daily basis at a rate equal to two percent (2%) per month, or the then highest legal rate, whichever is less.

5.6 Acceptance by Franchisor of the payment of any Royalty Fee or any and all other payments provided for in this Agreement shall not be conclusive or binding on Franchisor with respect to the accuracy of such payment until two (2) years after the effective date of termination or non-renewal of this Agreement. Acceptance of any payment on account of Royalty Fees or any and all other payments provided for in this Agreement does not constitute any waiver of Franchisor's rights under Article XVIII below.

5.7 Franchisee's obligations for the full and timely payment of the Royalty Fees and all other amounts provided for in this Agreement shall be absolute, unconditional and fully earned by Franchisor, except in those instances where Franchisor is in breach under this Agreement and has failed to cure such breach although obligated to do so. Franchisee shall not delay or withhold the payment of all or any part of the fees for any reason, put the fees in escrow, or set-off same against any and all claims or alleged claims Franchisee may allege against Franchisor.

ARTICLE VI
TRAINING AND COMMENCEMENT OF BUSINESS

6.1 Upon completion of the initial inspections of construction of Franchisee's Juice and Snack Bar Franchisee shall attend Franchisor's initial training program, which shall be conducted at Franchisor's headquarters in Los Angeles, California or at another location designated by Franchisor, and complete the training program to Franchisor's satisfaction. Franchisee shall be responsible for all travel and living expenses which Franchisee and Franchisee's manager incur in connection with the initial training program. During the training program, Franchisee shall receive instruction, training and education in the operation of the Juice and Snack Bar and indoctrination into the System. Such training program shall include, but not be limited to, instructing Franchisee in the preparation and sale of

Franchisee's proprietary food and beverage items, the Products and quality control techniques and procedures.

6.2 Franchisee shall attend such periodic refresher and supplemental training programs or meetings at such locations as Franchisor may from time to time direct. All expenses of Franchisee incurred in connection with attendance at any such refresher or supplemental training programs or meetings shall be borne solely by Franchisee.

6.3 At all times during the term of this Agreement or any renewal thereof, Franchisee shall maintain a staff of trained employees sufficient to operate the Juice and Snack Bar in accordance with this Agreement and Franchisor's standards. Franchisee shall not employ any person who may reasonably be required by Franchisor to complete a training program but who fails to do so for any reason whatsoever.

ARTICLE VII
OBLIGATIONS OF FRANCHISOR

7.1 In order to assist Franchisee in constructing Franchisee's Juice and Snack Bar, Franchisor shall furnish to Franchisee a set of prototype or proto-style plans and specifications for a typical Juice and Snack Bar, including requirements for exterior and interior design, layout, equipment and sign placement and decor scheme, all as included in the System.

7.2 Franchisor shall assist Franchisee in Franchisee's selection of and contracting with appropriate architects, engineers, contractors, and subcontractors for construction of all leasehold improvements at Franchisee's Juice and Snack Bar in accordance with the plans and specifications prepared by Franchisee's architect.

7.3 Franchisor shall make available to Franchisee any further assistance that Franchisor may deem is required, based on the experience and judgment of Franchisor, in pre-opening, opening and initial business operation of Franchisee's Juice and Snack Bar, which assistance shall conform to that furnished to other existing franchisees as further defined in the Confidential Operations Manual. Franchisor shall have the right to determine the time or times at which such assistance shall be available to Franchisee.

7.4 Franchisor shall make available to Franchisee a grand opening advertising program and ongoing local marketing programs for Franchisee's use.

7.5 Franchisor shall maintain an advisory relationship with Franchisee, including ongoing telephone consultation to aid in the proper and effective operation of the System, the frequency and duration of which shall be in the sole discretion of Franchisor in accordance with Confidential Operations Manual. Such operating assistance may consist of advice and guidance with respect to:

A. Methods and operating procedures utilized by Juice and Snack Bars;

B. Additional food and beverage products and services authorized for sale by Juice and Snack Bars;

C. Selection, purchasing and preparation of food products, beverages and other approved products, materials and supplies; and

D. The establishment and operation of administrative, bookkeeping, accounting, inventory control, sales and general operating procedures for proper operation of Juice and Snack Bars.

7.6 Franchisor or its designees or agents shall visit and inspect, from time to time, Franchisee's Juice and Snack Bar and evaluate the proper execution of the System, and confer with Franchisee and Franchisee's employees in order to assist in the proper business operation of Franchisee's Juice and Snack Bar in accordance with Confidential Operations Manual. Franchisor or its designees or agents shall have the absolute right to make inspections at such times and frequencies, during normal business hours, as Franchisor may determine. Franchisee will cooperate with Franchisor's representative in such inspections, render such assistance to them as they may reasonably request and immediately correct any failure to comply with the System and this Agreement as brought to Franchisee's attention by such representative.

7.7 Franchisor shall use its reasonable efforts to require maintenance of high and uniform standards in the execution of the System at all Juice and Snack Bars utilizing the System, in order to protect and enhance the reputation of Franchisor and its Marks.

7.8 In order to insure that the distinguishing characteristics of the System are uniformly maintained, Franchisor may from time to time establish standards for certain proprietary food and beverage items, products, equipment, commodities and supplies to be used by Franchisee in the execution of the System and may, in conjunction therewith, develop new proprietary food and beverage items, products, programs and develop new equipment and new techniques which Franchisee shall be required to use and/or purchase in the operation of Franchisee's Juice and Snack Bar. The purchase of any new required equipment will not materially increase the economic burden of Franchisee.

7.9 Neither Franchisor's approval of a specific location for Franchisee's Juice and Snack Bar, nor any other service provided by Franchisor pursuant to this Article shall be deemed a representation, warranty or judgment by Franchisor as to the likely success of Franchisee's Juice and Snack Bar at such location or as to the relative desirability of such location in comparison to others that might have been available to Franchisee.

7.10 Franchisor or its designees shall sell to certain geographically located franchisees all of Franchisor's requirements of certain proprietary food and beverage items, as is set forth in Article VIII hereof, unless prevented from so doing by Force Majeure, governmental restrictions, labor disputes, inability to obtain or manufacture supplies or products, or other contingency or situation. Under these circumstances, Franchisor will not be responsible or liable for any business losses or interruption, and Franchisee, during these situations, may seek alternate, but approved, sources of supply, provided such products meet Franchisor's specifications as to quality and availability.

ARTICLE VIII
OBLIGATIONS AND DUTIES OF FRANCHISEE

8.1 Franchisee shall make any grand opening advertising expenditures as may be required by Franchisee's landlord or by the terms of Franchisee's lease or sublease.

8.2 Franchisee or a designated and approved manager shall, during the term of this Agreement and any renewal thereof, devote full time, energy and best efforts to the management and operation of Franchisee's Juice and Snack Bar, except as otherwise approved in writing by Franchisor, including, but not limited to, keeping the Juice and Snack Bar operating and open for business at the times specified in the Confidential Operations Manuals or as required by Franchisee's lease or sublease.

8.3 At all times, Franchisee shall maintain, at Franchisee's own expense, at all times, the interior and exterior of Franchisee's Juice and Snack Bar and all fixtures, furnishings, signs and equipment in the highest degree of cleanliness, orderliness, sanitation and repair, as determined by Franchisor. Franchisee shall make no material alteration, addition, replacement or improvement in or to the interior or exterior of the Juice and Snack Bar without the prior written consent of Franchisor, except that Franchisee shall be required to periodically renovate, refurbish and update Franchisee's Juice and Snack Bar so that it is in substantial conformity with Franchisor's then-current Juice and Snack Bar design, which renovations shall not place an excessive economic burden on Franchisee. Such equipment shall include, but not be limited to, a computerized cash register system designated by Franchisor.

8.4 From time to time, Franchisee will allow Franchisor to obtain and take samples of ingredients, products and supplies from Franchisee's Juice and Snack Bar for testing by Franchisor in order to assure that Franchisee complies with Franchisor's reasonable standards and specifications.

8.5 Franchisee will maintain a high moral and ethical standard in the operation and conduct of Franchisee's Juice and Snack Bar so as to create and maintain goodwill among the public for the name "IT'S BOBA TIME," and supervise and evaluate the performance of its staff to insure that each renders competent, efficient and quality service to the general public.

8.6 Franchisee recognizes that it is essential to the proper marketing of the Products, and to the preservation and promotion of its reputation and acceptance by the public at large, that standards of quality be maintained. As part of the consideration for this Agreement, Franchisee will at all times sell to retail customers only, or offer for sale to retail customers only, the Products, and render only those services that meet the reasonable specifications and standards from time to time approved in writing by Franchisor, as permitted by law, and as permitted under the lease or sublease. In furtherance thereof, Franchisee shall be required to purchase from Franchisor or its designee any new Products, which may be introduced from time to time by Franchisor and be required to offer same to the consuming public for its consumption. This may include, but is not limited to, utilization of delivery service.

8.7 In connection with the operation of Franchisee's Juice and Snack Bar, Franchisee is required to purchase certain items of equipment, if applicable, and also certain containers, packaging supplies, paper goods and other product service items for the preparation and service of the Products. To the extent that Franchisor is able to supply the same, Franchisee shall have the right to purchase the same if Franchisee so desires from Franchisor, at prices established by Franchisor from time to time. Franchisee's obligations under this Section 8.7 shall be satisfied so long as Franchisee equips Franchisee's Juice and Snack Bar and keeps it maintained in accordance with Franchisor's strict specifications and standards for the items. In the event that Franchisee desires to purchase containers, packaging supplies, paper goods and product service items from sources other than Franchisor, Franchisor shall, without charge, make a license available to such other sources of such products to print the required name, trademarks, and text thereon, but in no event shall Franchisee be entitled to use any containers, packaging supplies, paper goods and other product service items at Franchisee's Juice and Snack Bar which do not duplicate those authorized by Franchisor for use in connection with the service of food and beverage items; and before use of any such items, Franchisee shall have requested in writing and obtained Franchisor's written approval to have the required name, trademark, and text printed thereon in the form and style directed by Franchisor, and also have had the same so imprinted on the goods prior to using them.

8.8 In connection with the operation of Franchisee's Juice and Snack Bar, Franchisee is required to purchase certain other food products, beverages and other similar products and other items offered for consumption to the retail purchaser as set forth in the Confidential Operations Manual. Franchisee's obligation under this Section 8.8 shall be satisfied so long as Franchisee purchases the stated products from sources of supply approved by Franchisor, subject to same meeting the strict specifications of Franchisor which may be changed, modified or updated from time to time. Nothing in this Agreement shall be construed as an attempt to unreasonably limit the sources from which Franchisee may procure such food products, beverages, products and other similar items. Rather, Franchisor intends that such items conform to Franchisor's strict standards and strict specifications of consistent quality and uniformity. Nothing contained in this Agreement shall be deemed to require Franchisor to approve an inordinate number of suppliers of a given item which, in the reasonable judgment of Franchisor, would result in higher costs generally to Franchisee or prevent effective and economical supervision of suppliers by Franchisor. Requests for approval of additional suppliers shall be in writing and shall contain such information as Franchisor may reasonably request. Franchisor reserves the right to charge back to Franchisee or the proposed supplier all reasonable expenses incurred in considering requests for approval. Franchisor shall, within a reasonable time, notify Franchisee whether or not such proposed supplier is approved. Franchisor may impose limits on the number of suppliers for any ingredient or food or beverage item used or served by the Juice and Snack Bar.

8.9 Franchisee acknowledges that in purchasing or leasing supplies, equipment and/or materials from Franchisor or from suppliers approved by Franchisor, **FRANCHISOR EXPRESSLY DISCLAIMS ANY WARRANTIES OR REPRESENTATIONS AS TO THE CONDITION OF SAME, INCLUDING WITHOUT LIMITATION, EXPRESS OR IMPLIED WARRANTIES AS TO MERCHANTABILITY OR FITNESS FOR ANY INTENDED PURPOSE. FRANCHISEE AGREES TO LOOK SOLELY TO THE MANUFACTURER OR SUPPLIER OF SAME FOR ANY REMEDY OR LIABILITY IN THE EVENT OF ANY DEFECTS THEREIN.**

8.10 Franchisee shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, association or corporation any confidential information, knowledge, recipes, food and beverage preparation methods, or know-how concerning the methods of operation of the business franchised under this Agreement which may be communicated to Franchisee, or of which Franchisee may be apprised, by virtue of Franchisee's operation under the terms of this Agreement. Franchisee shall divulge such confidential information only to such of its employees as must have access to it in order to operate the Juice and Snack Bar. Any and all information, knowledge and know-how, and other data which Franchisor designates as confidential, shall be deemed confidential for purposes of this Agreement, except information which Franchisee can demonstrate came to Franchisee's attention prior to disclosure thereof by Franchisor; or which, at the time of disclosure by Franchisor to Franchisee, had become a part of the public domain, through publication or communication by others; or which, after disclosure to Franchisee by Franchisor, becomes a part of the public domain, through publication or communication by others.

8.11 Franchisee shall only sell or offer for sale such products as described in the prime lease, and which are defined as proprietary food and beverage items by Franchisor, from time to time; and Franchisee must obtain Franchisor's written approval for all contemplated menu changes and all additions to and/or deletions of items sold in Franchisee's Juice and Snack Bar.

8.12 Franchisee shall comply with all the terms, conditions, requirements, covenants and agreements set forth in this Agreement, and any renewals thereof, and supply Franchisor with such information (in addition to that otherwise provided for in this Agreement) as may be reasonably requested by Franchisor.

8.13 Franchisee shall use a standard menu and menu format as required by Franchisor. Franchisee may employ any reputable printer to reproduce Franchisee's menus using Franchisor's format and specifications. This provision shall not constitute a license of any copyright or trademark to the prospective printer of such menus. Any changes in the menu used at the Juice and Snack Bar shall be approved in writing by Franchisor prior to use. At Franchisor's discretion the standard menu format may contain advertising reference to other Juice and Snack Bars.

8.14 Franchisee shall promptly pay when due all taxes levied or assessed, including, without limitation, federal income taxes, sales taxes, unemployment taxes and all indebtedness to Franchisor incurred by Franchisee in the conduct of the business licensed by this Agreement.

8.15 Franchisee shall comply with all federal, state and local laws, rules and regulations, and shall timely obtain any and all permits, certificates, or licenses necessary for the full and proper conduct of the business licensed by this Agreement, including, without limitation, operation licenses, licenses to do business and fictitious name registration.

8.16 Franchisee shall notify Franchisor, in writing, within five (5) days of the commencement of any action, claim, suit or proceeding, and of the issuance of any order, writ, injunction, suit or proceeding, award or decree of any court, agency or other governmental instrumentality which may adversely affect the operation or financial condition of the Juice and Snack Bar.

8.17 Franchisee shall not pledge Franchisor's credit or bind Franchisor to any obligation, nor shall it hold itself out as being authorized to do so.

8.18 Franchisee shall require all personnel employed by Franchisee wear standard related uniforms and attire during business hours in order to further enhance Franchisor's product and format. Franchisee shall be permitted to purchase such uniforms and attire from manufacturers or distributors approved by Franchisor, which uniforms and attire must be in strict accord with Franchisor's design and other specifications.

8.19 Franchisor and Franchisee understand and agree that the operation of the Juice and Snack Bar, maintenance of its premises and equipment, conduct and appearance of its personnel, and the preparation and sale of products therefrom are all regulated by governmental statutes and regulations. To this end, Franchisee owes an obligation to the patrons of Franchisee's Juice and Snack Bar, Franchisor, and to Franchisee, to fully and faithfully comply with all those applicable governing authorities. If any product dispensed at Franchisee's Juice and Snack Bar evidences adulteration from the standards of Franchisor's food and beverage items, or is in violation of applicable law or regulations, or in the event the food and beverage items, premises, equipment, personnel or operation of the Juice and Snack Bar fail to be maintained in accordance with the governmental requirements referred to above, Franchisee shall immediately close Franchisee's Juice and Snack Bar, terminate selling operations at the Juice and Snack Bar, destroy all contaminated or adulterated products and eliminate the source thereof, and remedy all unsanitary conditions present, reopening for business only after Franchisor's inspection and provided that laboratory analysis from samples obtained for that purpose by Franchisor evidence a compliance with the applicable governmental requirements and with the standards of Franchisor. If Franchisee or any of Franchisee's agents or employees fails or refuses to comply with all of the above remedial measures or in the event of any repetition of any adulteration or palming off or failure of sanitation in the Juice and Snack Bar:

A. Franchisee shall pay the costs and expenses, including attorneys' fees, of both parties, incurred in enforcing the provisions of this Subsection or any provision of this Franchise Agreement in obtaining Franchisee's compliance with the Agreement. The remedies set forth in this paragraph are in addition to and not in substitution for those set forth in Article XXIII of this Franchise Agreement.

B. In furtherance of the foregoing, Franchisee must submit copies of all health, sanitation or other regulatory agency inspection reports to Franchisor immediately upon receipt thereof.

8.20 Franchisor may, from time to time, conduct market research and testing to determine consumer trends and the salability of new food and beverage products and services. Franchisee will cooperate by participating in Franchisor's market research programs, test marketing new food and beverage products and services in the Juice and Snack Bar, and providing Franchisor with timely reports and other relevant information regarding such market research. In connection with any such test marketing, Franchisee shall purchase a reasonable quantity of the tested products and effectively promote and make a reasonable effort to sell such products.

8.21 Franchisee shall be absolutely prohibited from having any vending machines, lottery games or games of chance, newspaper racks, juke boxes, gum or candy machines, games, pinball machines, pay telephones, video games, rides or other mechanical or electronic devices installed or operated at the Juice and Snack Bar.

ARTICLE IX
ADVERTISING AND PROMOTIONAL ACTIVITIES

9.1 Recognizing the value of marketing and the importance of the standardization of promotions and public relations programs to the furtherance of the goodwill and public image of the System and the Marks, Franchisee will contribute to a system-wide advertising and promotional fund (the "Fund") on a weekly basis during the term of this Agreement an amount Franchisor determines that will not exceed two percent (2%) of Franchisee's Gross Sales.

9.2 The Fund will be maintained and administered as follows:

9.2.1 Franchisee will contribute to the Fund weekly by electronic transfer (as specified in the Confidential Operations Manual) based on Franchisee's Gross Sales for each preceding week. During any period of business interruption, Franchisee will continue to make weekly contributions based on Franchisee's average weekly payment during the eight (8) week period immediately preceding the period of business interruption.

9.2.2 Any Franchisor-owned ITS BOBA TIME Juice and Snack Bars will make contributions to the Fund on a basis at least equal to that described in Section 9.1.

9.2.3 Franchisor will direct all advertising and promotional programs, with the sole discretion of approval over agencies, spokespersons, creative concepts, materials, and media placements and allocations used in the programs. The Fund will establish and maintain an on-line presence. Franchisee agrees that the Fund is intended to maximize general public recognition and acceptance of the Marks for the benefit of the System, and that Franchisor and its designees undertake no obligation in administering the Fund to make expenditures for Franchisee that are equivalent or proportionate to Franchisee's contributions, or to ensure that Franchisee benefits directly or pro rata from the placement of advertising.

9.2.4 Franchisee agrees that the Fund may be used to meet the costs of researching, preparing, maintaining, administering and directing advertising and promotional materials and programs (including the costs of preparing and conducting television, radio, magazine, newspaper, direct mail and coupon advertising campaigns and other public relations activities; employing advertising agencies; providing a toll-free number for prospective customers to call for referral purposes; and providing promotional brochures and other marketing materials to franchisees in the System). All sums contributed to the Fund will be maintained in a separate account from Franchisor's general funds and will not be used to defray Franchisor's general operating expenses, except for reasonable administrative costs and overhead incurred in activities related to the administration or direction of the Fund up to fifteen percent (15%).

9.2.5 If Franchisor spends less than the total of all contributions to the Fund during any fiscal year, it has the right to retain those contributions for use in subsequent years. If Franchisor spends more than the contributions accumulated in the Fund during any fiscal year, it will have the right to receive from the Fund reimbursement or credit during the same or subsequent years to the extent of the excess expenditure.

9.2.6 An unaudited summary report on the operation of the Fund will be prepared annually and will be made available to Franchisee on request ninety (90) to one hundred twenty (120) days after fiscal year end.

9.2.7 Although the Fund is intended to be of perpetual duration, Franchisor retains the right to terminate the Fund. The Fund will not be terminated, however, until all contributions have been used for the purposes described above or returned to contributors on a pro rated basis.

9.2.8 Franchisee authorizes Franchisor to collect, for remission to the Fund, any advertising or promotional monies or credits offered by any supplier based upon Franchisee's purchases. Any advertising or promotional monies or credits Franchisor collects from any supplier based upon Franchisee's purchases will not be credited toward Franchisee's required contribution to the Fund.

9.2.9 Franchisor may establish an advertising council of franchisees. If established, the council will advise Franchisor on advertising policies, and Franchisees will elect the members of the council. The council will be advisory and have no operational or decision-making power. The council will operate under its own by-laws, but Franchisor will have the right to change or dissolve the council.

9.3 Franchisee must obtain and maintain, at Franchisee's sole expense, a bold listing in the white pages directory (or equivalent) servicing Franchisee's area under the name "IT'S BOBA TIME" and a display advertisement, in a form Franchisor specifies, in the local yellow pages directory (or equivalent). Franchisee may not solicit business through the use of an 800 (or other toll-free) number, direct mail or other advertising method without Franchisor's prior written consent.

9.4 Franchisee must submit to Franchisor, for its approval, all materials to be used for local advertising, unless they have been approved before or they consist only of materials Franchisor provided. All materials containing the Marks must include the designation trademark ™, registered trademark ®, service mark ℠, copyright ©, or any other designation Franchisor specifies. If Franchisee does not receive written or oral disapproval of any materials submitted within ten (10) days from the date Franchisor receives the materials, the materials are approved. Franchisor may require Franchisee to withdraw and/or discontinue the use of any promotional materials or advertising, even if previously approved. Franchisor must make this requirement in writing, and Franchisee will have five (5) days after receipt of Franchisor's notice to withdraw and/or discontinue use of the materials or advertising. Franchisee's submission of advertising for approval will not affect Franchisee's right to determine the prices at which Franchisee sells Franchisee's services or products. Franchisee must include in any significant display advertisements, and in marketing materials for the Juice and Snack Bar, in conformance with standards in the Confidential Operations Manual, a notice that the Juice and Snack Bar is individually owned and operated. Subject to any legal restrictions, Franchisee also must display or make available, in the reception area of the Juice and Snack Bar, marketing materials that Franchisor provides to Franchisee about the purchase of ITS BOBA TIME Juice and Snack Bar franchises, but Franchisee has no responsibility or authority to act for Franchisor in franchise sales.

9.5 Franchisee acknowledges and agrees that Franchisor will own all rights to and interest in each telephone number and telephone directory listing used by Franchisee that is associated in any manner with Franchisee's Juice and Snack Bar and/or with any Mark ("Telephone Listing"). Franchisee acknowledges and agrees that all goodwill arising from or in connection with the use of each Telephone Listing will inure to Franchisor's benefit. Promptly after the expiration, termination, repurchase or transfer of the franchise, and at Franchisee's own expense, Franchisee will notify all telephone companies with whom Franchisee has any Telephone Listing and direct them to transfer the Telephone Listing to Franchisor or to any person(s) Franchisor designates, and Franchisee will execute any and all documents necessary to complete these transfer(s). Upon the execution of this Agreement, Franchisee will sign a telephone transfer consent and authorization, in a form substantially similar to Exhibit G, granting Franchisor the authority to change, transfer or terminate Franchisee's Telephone Listing(s) on Franchisee's behalf. Franchisor will use this authorization only if Franchisee does not comply fully with this Section 9.5 after the expiration, termination, repurchase or transfer of the franchise.

9.6 Franchisee shall not maintain a World Wide Website or otherwise maintain a presence or advertise on the Internet or any other public computer network in connection with the Juice and Snack Bar without Franchisor's prior written approval, which Franchisor may withhold for any reason or for no reason. Franchisee will submit to Franchisor for approval before use, true and correct printouts of all Website pages Franchisee proposes to use in Franchisee's Website in connection with the Juice and Snack Bar. Franchisee understands and agrees that Franchisor's right of approval of all such Web materials is necessitated by the fact that such Web materials will include and be inextricably linked with Franchisor's Marks. Franchisee may only use material which Franchisor has approved. Franchisee's Website shall conform to all of Franchisor's Website requirements, whether set forth in the Confidential Operations Manuals or otherwise. Franchisee agrees to provide all hyperlinks or other links that Franchisor requires. If Franchisor grants approval for a Website, Franchisee may not use any of the Marks at the site except as Franchisor expressly permits. Franchisee may not post any of Franchisor's proprietary, confidential or copyrighted material or information on Franchisee's Website without Franchisor's prior written consent. If Franchisee wishes to modify the approved site, all proposed modifications must also receive Franchisor's prior written approval. Franchisee explicitly understands that Franchisee may not post on Franchisee's Website any material which any third party has any direct or indirect ownership interest in (including, without limitation, video clips, photographs, sound bites, copyrighted text, trademarks or service marks, or any other text or image in which any third party may claim intellectual property ownership interests). Franchisee will list on Franchisee's Website any Website maintained by Franchisor, and any other information Franchisor requires in the manner Franchisor dictates. Franchisee agrees to obtain Franchisor's prior written approval for any internet domain name and/or home page address. The requirement for Franchisor's prior written approval set forth in this Section will apply to all activities on the Internet or other communications network to be conducted by Franchisee, except that Franchisee may maintain one or more E-mail addresses and may conduct individual E-mail communication without Franchisor's prior approval as provided above if Franchisee proposes to send advertising to multiple addresses via E-mail.

ARTICLE X
REPORTS TO FRANCHISOR

10.1 Franchisee shall keep full, complete and accurate books and accounts in accordance with generally accepted accounting principles and in accordance with the System, and Franchisee shall submit to Franchisor:

A. Concurrently with the payment of the Royalty Fees, on a form supplied or approved by Franchisor, a signed and verified statement of Gross Sales in cash, credit and/or other charges, and when Franchisee is tied into the computerized cash register system such reports shall be transmitted electronically;

B. Within sixty (60) days after the close of each twelve (12) month period, an annual profit and loss statement for the Juice and Snack Bar for such year and a balance sheet for the Juice and Snack Bar as of the end of such year, reviewed by a independent certified public accountant. Franchisor may randomly select a franchisee or franchisees who will be required to have an audited financial statement prepared by a certified public accountant selected by the franchisee, but who shall be acceptable to Franchisor, which opinion may be qualified only to the extent reasonably acceptable to Franchisor;

C. Promptly when prepared, a copy of all of Franchisee's Federal, State and Local tax returns of any kind or nature; and a certificate from Franchisee's accountant that all Social Security payments, taxes and fees required to be paid by Franchisee have been paid, and that there is no reason to believe that Franchisee's corporate status, if Franchisee is a corporation, has been impaired; and

D. Such other periodic forms and reports as may be reasonably prescribed by Franchisor.

10.2 Franchisee shall preserve, for a period of not less than three (3) years, all accounting records and supporting documents relating to Franchisee's business under this Agreement.

10.3 Franchisee shall record, in a manner approved and designated by Franchisor at the time of receipt, all sales of all products sold by Franchisee from Franchisee's Juice and Snack Bar in a computerized cash register of a type designated by Franchisor, or on any other machine or recording device recommended or approved in advance by Franchisor.

10.4 In order to determine whether Franchisee is complying with this Agreement, Franchisor or its designated agents shall have the right, at any time during reasonable business hours, to examine, at its expense, the books, records, cash control devices, income tax returns, bank statements, sales records of the Juice and Snack Bar, and the books and records of any corporation or partnership which owns the franchise. Franchisor shall also have the right, at any time, to have an independent audit made of the books of Franchisee. If an inspection or audit should reveal that Gross Sales and/or payments have been understated in any report to Franchisor by more than two percent (2%), then Franchisee shall, upon fifteen (15) days' notice, pay to Franchisor the amount understated upon demand, and in addition reimburse Franchisor for any and all costs and expenses connected with the inspection or audit (including without limitation, reasonable accounting and attorneys' fees, travel expenses, room and board and compensation of employees or agents of Franchisor). The foregoing remedies shall be in addition to any other remedies Franchisor may have hereunder or under applicable law.

ARTICLE XI
CONFIDENTIAL OPERATIONS MANUAL

11.1 Franchisor shall lend to Franchisee a confidential operations manual published by Franchisor (the "Confidential Operations Manual") which shall include, in part, the business procedures, technical advice and rules and regulations for operating the business.

11.2 Franchisee acknowledges and agrees that:

A. The Confidential Operations Manual is, and shall remain, the property of Franchisor throughout the term of this Agreement, any renewal hereof and thereafter;

B. The Confidential Operations Manual contains confidential information which Franchisee will protect as a trade secret, and its loss will cause substantial damage to Franchisor and other franchisees, although the amount of such loss would be incalculable with any degree of accuracy;

C. Franchisee shall not reprint or reproduce any portion of the Confidential Operations Manual for any reason; and

D. Upon termination of this Agreement for any reason, Franchisee will immediately return the Confidential Operations Manual to Franchisor.

11.3 Franchisor may reasonably add to or otherwise modify the Confidential Operations Manual, from time to time, whenever it considers such additions or modifications desirable to improve or maintain the standards of the System and its efficient operation, or to protect or maintain the goodwill associated with the "IT'S BOBA TIME" name and Marks or to meet competition, provided such additions or modifications are system-wide in nature and do not substantially increase Franchisee's economic burden.

ARTICLE XII
<u>INSURANCE</u>

12.1 Franchisee, at its sole cost and expense, shall obtain and place with an insurer rated "AAA" in Best's Directory who is authorized to do business in the state in which Franchisee's Juice and Snack Bar is located, and to keep in full force and effect during the terms of this Agreement, insurance coverage on an "occurrence basis" naming Franchisor, its officers, directors and shareholders and any supplier of Products, and any designated primary and secondary lessor as co-insured's (such insurance policies referred to below collectively as "Insurance") as follows:

A. Broad Form Comprehensive General Liability with limits of no less than Two Million Dollars ($2,000,000) in case of damage or injury to one or more persons, including indemnification coverage and property damage insurance of Five Hundred Thousand Dollars ($500,000); both of which shall be considered primary policies;

B. All risk coverage on all personal property covering Franchisee's Juice and Snack Bar and premises and contents thereof, including, without limitation, all supplies, inventory, fixtures, and equipment and business interruption in amounts not less than is sufficient to meet the co-insurance requirements of Franchisee's policies, and which business interruption insurance covers at least six (6) months of rent, royalties and advertising fees, and contain a replacement value endorsement in an amount not less than ninety percent (90%) of the replacement value thereof, and any loss shall be payable to Franchisor and Franchisee as their interests may appear;

C. Worker's Compensation and Disability Insurance as may be required by law;

D. Products Liability Insurance in an amount not less than Two Million Dollars ($2,000,000), which policy shall be considered primary; and

E. Any other insurance coverage as required by the State, Federal or local municipality in which the franchised premises are located.

12.2 The insurance shall cover the acts or omissions of each and every one of the persons who perform services of any nature at Franchisee's Juice and Snack Bar, and shall protect against all acts of any persons who patronize the Juice and Snack Bar and shall contain a waiver of subrogation against Franchisor.

12.3 Prior to the opening of Franchisee's Juice and Snack Bar, Franchisee will deliver to Franchisor certificates of the Insurance, together with the copies of the actual policies issued, and will promptly pay all premiums thereon as and when the same become due. All policies shall provide that they are non-cancelable as to Franchisor unless Franchisor receives at least thirty (30) days' prior written notice of cancellation. Franchisor shall have the right, but shall not be obligated, to pay premiums due and unpaid by Franchisee or else to obtain substitute coverage in the case of cancellation. Any cost thereof to Franchisor shall be added to the Royalty Fees otherwise payable to Franchisor under this Agreement, provided, however, that same shall be due and payable to Franchisor by Franchisee within five (5) days of demand therefore.

12.4 Franchisor reserves the right to demand that Franchisee obtain Insurance from time to time which is different in coverage, risks, amount or otherwise from the foregoing in order to protect fully the parties having insurable interests in Franchisee's Juice and Snack Bar, provided such Insurance is reasonably common in the area for similar operations.

12.5 Franchisee shall immediately notify Franchisor, in writing, of any accidents, injury, occurrence or claim that might give rise to a liability or claim against Franchisor or which could materially affect Franchisee's business, and such notice shall be provided no later than the date upon which Franchisee notifies Franchisee's insurance carrier.

ARTICLE XIII
RELATIONSHIP OF THE PARTIES; INDEMNIFICATION

13.1 The relationship between Franchisor and Franchisee is strictly that of a franchisor and franchisee, and Franchisee shall be deemed to be an independent contractor. This Agreement does not create a fiduciary relationship between Franchisor and Franchisee, joint venture, partnership, or agency, and any act or omission of either party shall not bind or obligate the other except as expressly set forth in this Agreement.

13.2 Franchisee recognizes that Franchisor has entered into this Agreement in reliance upon and in recognition of the fact that Franchisee will have full responsibility for the management and operation of the business, and that the amount of profit or loss resulting from the operation of the business will be directly and solely attributable to the performance of Franchisee.

13.3 Except as expressly granted in this Agreement, Franchisee recognizes that nothing contained in this Agreement shall be construed as giving to Franchisee or to any other person or entity, any right or interest in Franchisor's names, Marks, trade secrets, methods, procedures or techniques developed by Franchisor and used in the System. Further, except as specifically set forth in Article I above, nothing contained in this Agreement shall be construed as limiting Franchisor's right, title or interest in the "IT'S BOBA TIME" name, Marks, trade secrets, methods, procedures and techniques which are a part of the System or Franchisor's sole and exclusive right to register trade secrets, methods, procedures and techniques.

13.4 In all public records and prominently displayed in Franchisee's Juice and Snack Bar and in Franchisee's relationship with third parties, as well as on letterheads and business forms, Franchisee shall indicate clearly the independent ownership of Franchisee's Juice and Snack Bar, and that the operations of same are separate and distinct from the operation of Franchisor's business. Franchisor shall have the absolute right to approve and/or supply any sign displays containing the foregoing.

13.5 Franchisor shall have no liability for any sales, use, excise, gross receipts, property or other taxes, whether levied upon Franchisee, the Juice and Snack Bar or its assets, or upon Franchisor in connection with sales made, services performed or business conducted by Franchisee.

13.6 Franchisee shall indemnify and hold Franchisor and its subsidiaries, affiliates, stockholders, directors, officers, employees, agents and assignees harmless against, and to reimburse them for, any loss, liability, taxes or damages (actual or consequential) and all reasonable costs and expenses of defending any claim brought against any of them or any action in which any of them is named as a party (including, without limitation, reasonable accountants', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses) which any of them may suffer, sustain or incur by reason of, arising from or in connection with Franchisee's ownership or operation of the Juice and Snack Bar, which is due to Franchisee's negligence, breach of contract or other civil wrongs, unless such loss, liability or damage is solely due to the negligence of Franchisor (or any of its affiliates, i.e., any company controlling, controlled by, or under common control with Franchisor) in producing, handling or storing the proprietary food and beverage items sold to Franchisee (provided Franchisor shall have established that Franchisee inspected such proprietary food and beverage items in accordance with the procedures set forth in the Confidential Operations Manual and could not have reasonably discovered the adulteration or other defect in such proprietary food and beverage items which was the case of such loss, liability or damage). Franchisee acknowledges and agrees that any action or inaction by any third party (e.g., an independent carrier) which is not an affiliate of Franchisor in connection with handling or storing the Products shall not be attributable to or constitute negligence of Franchisor.

13.7 Franchisor shall indemnify and hold Franchisee harmless against, and to reimburse Franchisee for, any loss, liability or damage (actual or consequential) and all reasonable costs and expenses of defending any claim brought against Franchisee or any action in which Franchisee is named as a party (including, without limitation, reasonable accountants', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses) which Franchisee may suffer, sustain or incur solely by reason of, arising from or in connection with the negligence of Franchisor (or any of its affiliates, i.e., any company controlling, controlled by or under common control with Franchisor) in producing, handling or storing the Products (provided Franchisee shall have established that Franchisee inspected such Products in accordance with the procedures set forth in the Confidential Operations Manual and could not have reasonably discovered the adulteration or other defect in such Products which was the cause of such loss, liability or damage). Franchisee acknowledges and agrees that any action or inaction by any third party (e.g., an independent carrier) which is not an affiliate of Franchisor in connection with handling or storing proprietary food and beverage items shall not be attributable to or constitute negligence of Franchisor.

ARTICLE XIV
COVENANTS NOT TO COMPETE

14.1 During the term of this Agreement, or any extension thereof, neither Franchisee, nor any partner, if Franchisee is a partnership, nor any shareholder, if Franchisee is a corporation, shall either directly or indirectly for himself or herself or on behalf of, or in conjunction with any other person, persons, partnership, association or corporation, own, maintain, engage in, participate or have any interest in the operation of any enterprise which is the same or substantially similar to the "IT'S BOBA TIME" franchise, or any other business which distributes, produces or sells the Products, provided, however, that this prohibition should not apply to the ownership by Franchisee of additional Juice and Snack Bars.

14.2 For a period of two (2) years following termination, expiration, or non-renewal of this Agreement, except where the termination occurs due to the fault or action of Franchisor and not due to default of Franchisee or any partner, if Franchisee is a partnership, or any shareholder, if Franchisee is a corporation, Franchisee shall not, except with respect to the ownership or operation by Franchisee of additional Juice and Snack Bars:

A. Engage, employ or compensate or seek to employ any person who is at that time engaged, operating or employed by or at any other Juice and Snack Bars, or to otherwise directly or indirectly induce such person to leave employment at any Juice and Snack Bar;

B. Either directly or indirectly for himself or on the behalf of, or in conjunction with, any other person, persons, partnership, association or corporation, own, maintain, engage in, participate in, or have any interest in the operation of any enterprise which directly or indirectly competes with or is the same or substantially similar to the franchise covered by this Agreement, or which distributes, produces or sells the Products within the "Minimum Area of Competition". The "Minimum Area of Competition" shall be deemed to be that area which is within a radius of twenty-five (25) miles from Franchisee's Juice and Snack Bar, or any other Juice and Snack Bar in operation on the effective date of termination or expiration, whether franchised or company-owned.

14.3 If Franchisee fails or refuses to comply with any covenants of this Article, even if such failure or refusal is based upon a claim that the laws of any particular jurisdiction excuse such non-compliance, or make the provisions unenforceable in whole or in part, and provided that the jurisdiction in which Franchisee's Juice and Snack Bar is located permits, Franchisee separately covenants and agrees that while this Agreement is in effect and for two (2) years after its termination, except where termination occurs due to the fault or action of Franchisor and not due to default of Franchisee, Franchisor shall have the right to require that all sales made in the operation of any business which directly or indirectly competes with: (a) Franchisor; (b) a Juice and Snack Bar; or (c) the System, or which distributes, produces or sells any of the Products (i) anywhere, if this Agreement is then in effect, or (ii) within the Minimum Area of Competition, if this Agreement has been terminated, shall be reported to Franchisor. Franchisee agrees to pay Franchisor upon demand, the weekly fee of Five Hundred Dollars ($500) at the times and in the manner specified in Article V above, all without being deemed to revive, modify or expand this Agreement. The covenants of this Article shall survive the termination or expiration of this Agreement.

14.4 Franchisee shall not, during the term of this Agreement or after its termination or non-renewal, communicate or divulge to any other person, persons, partnership or corporation, any information or knowledge concerning the methods of operation used in a Juice and Snack Bar franchise, nor shall Franchisee disclose or divulge, in whole or in part, any trade secrets of Franchisor or its affiliated companies or subsidiaries.

14.5 The covenants contained in Sections 14.2, 14.3 and 14.4 above shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Article is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which Franchisor is a party, Franchisee expressly agrees to be bound by any lesser covenant subsumed with the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated and made a part of this Article.

14.6 Franchisee acknowledges that the foregoing restrictions are reasonable, are not vague or indefinite, and are designed to protect the legitimate business interests of Franchisor, and that in the event of a breach of covenants contained in this paragraph, the damage to Franchisor would be difficult to ascertain. In addition to the liquidated damages payable to Franchisor as provided below for the breach of any or all of the above covenants, Franchisor shall be entitled to seek injunctive and/or other equitable relief against the violation of any of those covenants, together with reasonable attorneys' fees and costs.

14.7 Covenants contained in this Article shall be construed as severable and independent and shall be interpreted and applied consistent with the requirements of reasonableness and equity. Any judicial reformation of these covenants consistent with this interpretation shall be enforceable as though contained in this Agreement and shall not affect any other provisions or terms of this Agreement.

ARTICLE XV
MODIFICATION OF THE SYSTEM

Franchisee understands and agrees that the System must not remain static if it is to meet, without limitation, presently unforeseen changes in technology, competitive circumstances, demographics, populations, consumer trends, societal trends, other market place variables and the needs of customers, and to best serve the interests of Franchisor, Franchisee and all other franchisees. Accordingly, Franchisee expressly understands and agrees that Franchisor may from time to time change the components of the System, including, but not limited to, altering the products, programs, services, methods, standards, forms, policies and procedures of that System; abandoning the System altogether in favor of another system in connection with a merger, acquisition, other business combination or for other reasons; adding to, deleting from or modifying those programs and services which Franchisee's Juice and Snack Bar is authorized to offer; modifying or substituting entirely the building, premises, equipment, signage, trade dress, décor, color schemes and uniform specifications and all other unit construction, design, appearance and operation attributes which Franchisee is required to observe hereunder; and changing, improving or modifying the Marks. Subject to the other provisions of this Agreement, Franchisee expressly agrees to abide by any such modifications, changes, additions, deletions and alterations, provided, however, that those changes do not materially and unreasonably increase Franchisee's obligations under this Agreement.

Franchisee shall accept, use and effectuate any such changes or modifications to, or substitution of, the System as if they were part of the System at the time that this Agreement was executed.

Except as provided in this Agreement, Franchisor shall not be liable to Franchisee for any expenses, losses or damages sustained by Franchisee as a result of any of the modifications contemplated hereby. Franchisee covenants not to commence or join in any litigation or other proceeding against Franchisor or any third party complaining of any such modifications or seeking expenses, losses or damages caused thereby. Finally, Franchisee expressly waives any claims, demands or damages arising from or related to the foregoing activities including, without limitation, any claim of breach of contract, breach of fiduciary duty, fraud, and/or breach of the implied covenant of good faith and fair dealing.

ARTICLE XVI
FRANCHISEE

The term "Franchisee" shall include all persons who succeed to the interest of the original Franchisee by transfer or operation of law, and shall be deemed to include not only the individual or entity defined as "Franchisee" in the introductory paragraph of this Agreement, but shall also include partners of the entity that execute this Agreement in the event the entity is a partnership, and all shareholders, officers and directors of the entity that execute this Agreement in the event the entity is a corporation. By their signatures to this Agreement, all partners, shareholders, officers and directors of the entity that signs this Agreement as Franchisee acknowledge and accept the duties and obligations imposed upon each of them, individually, by the terms of this Agreement. The singular usage includes the plural and the neuter and masculine usages include the other and the feminine.

ARTICLE XVII
TERMINATION

17.1 Franchisor may terminate this Agreement upon the occurrence of any of the following events of default:

A. Failure by Franchisee to make complete and timely payment of any and all fees and billings due Franchisor or any of its subsidiary or affiliated corporations;

B. Failure to comply with the reporting or record keeping requirements of this Agreement, and/or the under-reporting of Gross Sales by two percent (2%) or more;

C. The misstatement by Franchisee of any material fact, or failure to disclose or the understatement of any material fact in any report furnished to Franchisor pursuant to this Agreement or the Confidential Operations Manual, whether or not such misstatement or failure to disclose or understatement is intentional;

D. A breach by Franchisee of any provision of this Agreement, any material provision of the Confidential Operations Manual, or any other agreement between Franchisor and Franchisee or any of its subsidiary or affiliated corporations;

E. Failure by Franchisee to make good faith efforts to carry out the provisions of this Agreement;

F. Franchisee's engaging in any conduct or practice that, in the reasonable opinion of Franchisor, is detrimental or harmful to the good name, goodwill or reputation of Franchisor or its products or other franchisees or the public;

G. Franchisee's engaging in any conduct or practice that is a fraud upon consumers, or is an unfair, unethical, or deceptive trade, act or practice;

H. Any pledge or attempted pledge of Franchisor's credit by Franchisee, or an attempt by Franchisee to bind Franchisor to any obligation;

I. Failure by Franchisee to participate in the advertising, promotional, or marketing activities, services, and programs that are established by Franchisor or Franchisor's National Advertising Fund;

J. Unauthorized or improper use by Franchisee of Franchisor's Marks;

K. Misuse or unauthorized disclosure by Franchisee of the Confidential Operations Manual, information or materials;

L. Failure to use or sell any of the proprietary food and beverage items to the exclusion of those of any competitors and the failure to perform all of the services required by Franchisor, including but not limited to the forwarding of copies of all health or sanitation or other regulatory agency reports to Franchisor immediately upon receipt thereof;

M. Failure to secure a lease for the location for, or to open, Franchisee's Juice and Snack Bar at the location designated by Franchisee within the time provided in Section 2.3 or as specified in the lease or sublease;

N. Except as otherwise provided herein, failure by Franchisee to purchase Franchisee's entire requirement of any of the proprietary food items either from Franchisor or from sources of supply designated by Franchisor and to sell the same to the consuming public using Franchisee's best efforts;

O. Failure to correct any local, state or municipal health or sanitation law or code violation within twenty-four (24) hours after being cited for such violation; or

P. Sale of any proprietary food items to other than the retail customer (ultimate consumer), without Franchisor's prior consent.

17.2 To terminate Franchisee for default of this Agreement pursuant to Section 17.1 above, Franchisor shall first provide Franchisee with written notice of termination, which notice shall specify the reason for and the Effective Date of Termination. This Agreement shall terminate on the date specified in the notice, which shall not be less than thirty (30) days from the date of the notice (or such longer period as provided by State law), unless:

A. Franchisee cures the default or reason for termination during the notice period;

B. Franchisee has in good faith initiated a cure of the default or reason for termination within the notice period, and such default or reason cannot be completely cured during the notice period because of factors reasonably beyond the exclusive control of Franchisee, in which event Franchisor, by notice, shall permit Franchisee a reasonable opportunity, in light of such factors, to effect a complete cure; or

C. The provisions of Subsection 17.2 A and B notwithstanding, this Agreement shall nonetheless terminate if: (i) the default or reason for termination has been set forth in two (2) prior notices of termination within any prior twelve (12) month period; or (ii) two (2) or more health code violations have been committed within any prior twelve (12) month period; or (iii) Franchisee is terminated as a result of under-reporting Gross Sales by two percent (2%) or more.

17.3 Upon written notice to Franchisee, Franchisor may, without right to cure, immediately terminate this Agreement if any of the following events of default occur:

A. Any action by Franchisee, any of Franchisee's partners, if Franchisee is a partnership, or any of its officers, directors or stockholders, if Franchisee is a corporation, which results in:

(i) An affirmative act of insolvency;

(ii) An assignment for the benefit of creditors; or

(iii) The filing of a petition under any bankruptcy, reorganization, insolvency, or moratorium law, or any law for the relief of, or relating to, debtors, except with respect to any relief permitted under the Federal Bankruptcy Code.

B. The filing of any involuntary petition under any bankruptcy statute against Franchisee, any of its partners, or any of its stockholders owning at least twenty-five (25%) percent of any class of stock, or the appointment of any receiver or trustee to take possession of property of Franchisee, any of its partners, or any of its stockholders owning at least twenty-five (25%) percent of any class of stock of Franchisee;

C. Failure by Franchisee to satisfy fully a civil judgment obtained against Franchisee for a period of more than thirty (30) days after all rights of appeal have been exhausted, or execution of such a judgment, execution of a lien, or foreclosure by a secured party or mortgage against Franchisee's property, which judgment, execution of a lien, or foreclosure by a secured party or mortgage would have an adverse or detrimental effect upon Franchisee's franchised operation;

D. Conviction of Franchisee, or any partner of Franchisee, or any officer, director, or stockholder owning at least twenty-five (25%) percent of any class of stock of Franchisee, or the manager of Franchisee's franchise, of any crime which in the opinion of Franchisor would adversely affect the goodwill or interest of Franchisee or Franchisee's Juice and Snack Bar;

E. The uncured default by Franchisee under any lease or sublease of Franchisee's Juice and Snack Bar which could possibly result in the loss by Franchisee of the right to possess for any reason whatsoever;

F. A final judgment or the unappealed decision of a court, regulatory officer, agency, or quasi- regulatory agency that results in the temporary or permanent suspensions or revocation of any permits or licenses, possession of which is a prerequisite to the operation of Franchisee's business or is required under applicable law;

G. The direct or indirect assignment, transfer, sale or encumbrance by Franchisee of this Agreement or franchise or any of Franchisee's rights or privileges contrary to this Agreement, or any attempt by Franchisee to sell, assign, transfer or encumber the Juice and Snack Bar contrary to the terms of this Agreement;

H. Failure by Franchisee to remain open for business as required by this Agreement or as may be required by the Confidential Operating Manual, as may be limited by local law or the prime landlord, or the abandonment or vacating by Franchisee of Franchisee's Juice and Snack Bar or for three (3) or more consecutive days (or for such other period as would be grounds for termination of Franchisee's sublease); or

I. Dissolution, judicial or otherwise, or liquidation of Franchisee, if Franchisee is a corporation or partnership.

ARTICLE XVIII
RIGHTS AND DUTIES OF THE PARTIES
UPON EXPIRATION OR TERMINATION

18.1 For the purpose of this Agreement, the "Effective Date of Termination" shall be the date indicated in any notice of termination sent pursuant to Section 17.2 or 17.3 of this Agreement or the day after the Initial Term, as set forth in Section 4.1 of this Agreement.

18.2 Upon the Effective Date of Termination, Franchisee shall no longer be an authorized franchisee, and Franchisee shall pay all sums of money due Franchisor or any of its subsidiary or affiliated corporations within fifteen (15) days of the Effective Date of Termination, unless Franchisor gives written notice of an extension of this period.

18.3 Upon the Effective Date of Termination, Franchisee shall discontinue the use of all Marks owned by or associated with Franchisor and all similar names and marks, or any other designation or mark associating Franchisee with the System. If Franchisee is a corporation or partnership and, notwithstanding the prohibition of utilizing the "IT'S BOBA TIME" name in its corporate or partnership name, has used the "IT'S BOBA TIME" name or any names, marks or designations that associate Franchisee with Franchisor in its corporate or partnership name, Franchisee shall, within fifteen (15) days of the Effective Date of Termination, take all necessary steps to eliminate "IT'S BOBA TIME" from its corporate or partnership name, at Franchisee's own cost and expense.

18.4 Upon the Effective Date of Termination, Franchisee shall cease displaying and using all signs, stationery, letterheads, forms, manuals, printed matter, advertising, and other material containing the Marks, "IT'S BOBA TIME" or any other names, marks, or designations that associate Franchisee with the System.

18.5 After the Effective Date of Termination, Franchisee shall not take any action indicating or implying that Franchisee is an authorized franchisee.

18.6 Franchisee shall maintain all financial records and reports required pursuant to this Agreement or the Confidential Operations Manual for a period of not less than three (3) years after the Effective Date of Termination. Franchisee shall permit Franchisor to make final inspection of Franchisee's financial records, books, tax returns, and other accounting records at any time in the three (3) year period following the Effective Date of Termination.

18.7 Upon the Effective Date of Termination, Franchisee shall, pursuant to the lease or sublease or conditional lease assignment and upon demand of Franchisor, vacate and surrender the Juice and Snack Bar premises in accordance with the terms and conditions under the terms of the lease, sublease and/or conditional lease assignment.

18.8 Upon the Effective Date of Termination, Franchisee shall cease all use of telephone numbers used by Franchisee while conducting business as an "IT'S BOBA TIME" franchise and shall promptly execute such documents or take such steps necessary to remove Franchisee's listing as an "IT'S BOBA TIME" franchise from the "Yellow Pages", all other telephone directories, and all other trade or other business directories.

18.9 Within fifteen (15) days from the Effective Date of Termination of this Agreement, Franchisee shall immediately turn over to Franchisor all manuals, including the Confidential Operations Manual, records, files, instructions, recipes, menus, correspondence, any and all materials relating to the operation of the Franchised Business in Franchisee's possession, and all copies of such written materials (all of which are acknowledged to be Franchisor's property), and shall retain no copy or record of any of the foregoing, except only Franchisee's copy of this Agreement, and of any correspondence between the parties, and any other documents which Franchisee reasonably needs for compliance with any provision of law and the records described in Section 18.6 above.

18.10 If Franchisor notifies Franchisee of its intent to do so within ten (10) days after the Effective Date of Termination, Franchisor shall have the right (but not the duty) to purchase any or all of the signs, advertising material, supplies, equipment and any items bearing Franchisor's Marks at Franchisee's cost or fair market value, whichever is less. If the parties cannot agree on fair market value within a reasonable time, each party shall designate an independent qualified appraiser, and their joint determination shall be binding on both parties. If these appraisers are unable to agree upon a fair market value, they will designate a third, approved appraiser whose determination shall be binding upon both parties. If Franchisor elects to exercise its option to purchase, it shall have the right to set off all amounts due from Franchisee under this Agreement, and the cost of the appraisal, if any, against any payment therefore.

18.11 No right or remedy conferred upon or reserved to Franchisor in this Agreement is exclusive of any other right or remedy contained in this Agreement, or provided or permitted by law or equity, but each shall be cumulative of every other right or remedy.

18.12 Nothing contained in this Agreement shall be deemed to relieve Franchisee of any obligations or responsibilities or liabilities incurred by Franchisee during the term of this Agreement or any renewal term, or Franchisee's lease or sublease and which obligations, responsibilities or liabilities shall survive the termination, expiration or non-renewal of this Agreement, Franchisee's lease or sublease.

ARTICLE XIX
COMMENCEMENT AND HOURS OF OPERATIONS

Franchisee recognizes that continuous and daily availability of any of the proprietary food items and Products to the public is essential to the adequate promotion of Franchisee's Juice and Snack Bar, and that any failure to provide such availability affects Franchisor both locally and nationally. Franchisee shall make Franchisee or Franchisee's trained manager personally available to provide the Products to the consuming public at a minimum of ten (10) hours per day, seven (7) days per week, or as required by any lease or sublease if different, except where prohibited or otherwise regulated by a governmental authority, including any state or local licensing authority, and shall otherwise conduct the business in accordance with generally accepted business standards, including without limitation, at least two employees working at the Juice and Snack Bar at all operating hours. These requirements may be changed by Franchisor from time to time and upon reasonable notice to Franchisee and may differ from one franchisee to another, based upon the specific characteristics of a particular location.

ARTICLE XX
TRANSFERABILITY OF INTEREST

20.1 Franchisee understands and acknowledges that the rights and duties created by this Agreement are personal to Franchisee, and that neither this Agreement nor the franchise granted shall be assignable or transferable by Franchisee, nor may the same be mortgaged, pledged or encumbered by him without the express prior written consent of Franchisor. Any purported assignment, mortgage, pledge or encumbrance of any rights under this Agreement or the franchise, without the prior written consent of Franchisor, shall be null and void. The issuance or transfer of any stock (including by way of any public stock offering) or partnership interest(s) in Franchisee, or its merger, a consolidation or dissolution, if Franchisee is a corporation or a partnership, shall be deemed an assignment of this Agreement and of the franchise.

20.2 If Franchisee is an individual, Franchisor hereby consents, upon thirty (30) days' prior written notice, to the assignment by Franchisee of all of Franchisee's rights and benefits under this

Agreement to a corporation of which Franchisee owns at least a majority of the voting and equity stock, provided that:

A. Such corporation is newly organized and its activities and corporate purposes are confined exclusively to acting as a Juice and Snack Bar franchised under this Agreement;

B. Such corporation and all of its stockholders execute a Transfer of Franchise to a Corporation form, or such other form as shall be provided or approved by Franchisor, in which they jointly and severally assume all of the past and future obligations of Franchisee under this Agreement, to the same extent as if they had originally executed this Agreement as Franchisee;

C. Franchisee or Franchisee's designated manager actively manages such corporation and continues to devote Franchisee's best efforts and full and exclusive time to the day-to-day operation and development of the franchise and the business of the Juice and Snack Bar and Franchisee shall remain personally liable in all respects under this Agreement, including but not limited to payment for the purchase of any of the Products, jointly and severally with such corporation and any and all other stockholders thereof; and

D. All stock certificates of such corporation bear a legend substantially in the following form, which shall be printed legibly and conspicuously on the front of each such stock certificate:

> **"The transfer of this stock certificate is subject to the terms and conditions of a certain Franchise Agreement entered into with BOBA TIME, INC. dated ____________, 20__".**

20.3 If Franchisee, any stockholder or partner of a corporate or partnership Franchisee, or any legal heir or legatee of any deceased Franchisee, or of any deceased stockholder or partner of any corporate or partnership Franchisee, desires to effect any sale or assignment of any partnership interest, stock or other interest in this Agreement, or of Franchisor's rights and benefits under this Agreement, including, without limitation, the franchise granted by this Agreement, and/or the ownership or sublease for the Juice and Snack Bar franchised by this Agreement, Franchisee or such other authorized person or party shall give Franchisor written notice of all of the terms of any such bona fide offer within fifteen (15) days after receipt of such offer, and providing Franchisor with all other documents and data required prior to Franchisor approving the sale. Franchisor shall have the right of first refusal, for a period of fifteen (15) days after receipt of such notice, to notify Franchisee or such other authorized person or party of Franchisee's desire to exercise such option under the same terms and conditions as the bona fide offer. If Franchisor fails to exercise such option in the time period allotted, then Franchisee shall be free to contract with the person who made such bona fide offer solely on the same terms and conditions, subject to Franchisee's compliance with all of the other terms and provisions of this Agreement. In the event the terms of such bona fide offer change at any time, then at the time of any change, Franchisee must re-offer the franchise to Franchisor for an additional fifteen (15) day period.

20.4 In addition to all of the other conditions set forth in Sections 20.2 and 20.3 above that pertain to the right of Franchisee to assign, transfer or sell the license created hereunder, Franchisee agrees that any and all rights of assignment, transfer or sale by Franchisee of this franchise and the its rights are conditioned upon compliance with each of the following:

A. Any such assignment, transfer, or sale shall be subject to the approval by Franchisor of such assignee, and of the moral and credit background of such assignee and any and all stockholders or partners of assignee, which approval shall not be unreasonably withheld;

B. The assignee, transferee, or purchaser, and all stockholders or partners thereof if same is a corporation or partnership, shall at Franchisor's option either personally assume in writing all of the obligations of Franchisee, disclosed or undisclosed including all obligations under this Agreement, or execute the then-current Franchise Agreement, in the form used by Franchisor, except that the Royalty Fee and Advertising Fee under the then-current Franchise Agreement shall not be greater than that provided by Article V and IX above for the remainder of what would have been the initial term of this Agreement. However, Franchisor shall have the right to reasonably increase the Royalty Fee and the Advertising Fee, in conformity with the System, during any renewals of the Agreement;

C. Franchisee, such assignee, transferee or purchaser and any and all stockholders or partners thereof, shall execute a general release in favor of Franchisor, its officers, directors, and employees, of any and all claims and causes of action that they may have against Franchisor or its subsidiary or affiliated corporations in any way relating to this Agreement or the performance or non-performance under this Agreement by Franchisor;

D. All prior obligations and debts of Franchisee or corporate assignee of Franchisee owed to Franchisor under or in connection with this Agreement shall be paid concurrently with such assignment;

E. Franchisee must not be in default under this Agreement or any renewals of this Agreement or of any lease or sublease agreement to which Franchisee is a party;

F. Assignee, transferee or purchaser shall not be in the same business as Franchisor either as a franchisor, licensor, independent operator or franchisee of any chain or network which is similar in nature or in competition with Franchisor except that the assignee, transferee or purchaser may be an existing franchisee of Franchisor;

G. Prior to the effective date of the assignment, transfer or sale, (i) Franchisee shall complete Franchisor's pre-transfer inspection and correct, update and/or replace any deficiencies identified by Franchisor to conform the Juice and Snack Bar with the System requirements, and (ii) the assignee, transferee, or purchaser must satisfactorily complete Franchisor's training program required of all new franchisees;

H. Assignee, transferee, or purchaser shall, prior to any such assignment, pay to Franchisor a non-refundable training and transfer fee equal to Ten Thousand Dollars ($10,000) to reimburse Franchisor for its legal and accounting fees, credit investigation, training expenses, and other charges and expenses in connection with such assignment, transfer or sale; and

I. Franchisee shall enter into an agreement with Franchisor agreeing to subordinate such assignee's, transferee's or purchaser's obligations to Franchisor, including, without limitation, any Royalty Fees and Advertising Fees, and any obligations of such assignee, transferee or purchaser to make installment payments of the purchase price to Franchisee.

20.5 Franchisor shall have the right, without the need for Franchisee's consent, to assign, transfer or sell its rights under this Agreement to any person, partnership, corporation or other legal entity, provided that the transferee agrees in writing to assume all obligations undertaken by Franchisor in this Agreement and Franchisee receives a statement from both Franchisor and its transferee to that effect. Upon such assignment and assumption, Franchisor shall be under no further obligation hereunder, except for accrued liabilities, if any. Franchisee further agrees and affirms that Franchisor may go public; may engage in a private placement of some or all of its securities; may merge, acquire other corporations, or be acquired by another corporation; and/or may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring. With regard to any of the above sales, assignments and dispositions, Franchisee expressly and specifically waives any claims, demands or damages arising from or related to the loss of Franchisor's name, Marks (or any variation thereof) and System and/or the loss of association with or identification of BOBA TIME, INC. as Franchisor under this Agreement. Franchisee specifically waives any and all other claims, demands or damages arising from or related to the foregoing merger, acquisition and other business combination activities including, without limitation, any claim of divided loyalty, breach of fiduciary duty, fraud, breach of contract or breach of the implied covenant of good faith and fair dealing.

Franchisee acknowledges and agrees that Franchisor has the right, now or in the future, to purchase, merge, acquire or affiliate with an existing competitive or non-competitive franchise network, chain or any other business, regardless of the location of that chain's or business's facilities, and to operate, franchise or license those businesses and/or facilities as "IT'S BOBA TIME" Juice and Snack Bars operating under the Marks or any other marks following Franchisor's purchase, merger, acquisition or affiliation, regardless of the location of these facilities, which Franchisee acknowledges may be near to any of Franchisee's locations.

If Franchisor assigns its rights in this Agreement, nothing in this Agreement shall be deemed to require Franchisor to remain in the "IT'S BOBA TIME" business or to offer or sell any products or services to Franchisee.

20.6 In addition to the requirements of this Article, Franchisee must, within fifteen (15) days of receipt of an offer to buy, give Franchisor additional written notice whenever Franchisee has received an offer from a third party to buy Franchisee's business franchised under this Agreement. Franchisee must also give Franchisor written notice simultaneously with any offer to sell Franchisee's Juice and Snack Bar made by, for, or on behalf of Franchisee. The purpose of this Subsection is to enable Franchisor to comply with any applicable state or federal franchise disclosure law or rules. Franchisee will indemnify and hold Franchisor harmless for Franchisee's failure to comply with this Subsection.

20.7 Franchisor's consent to an assignment of any interest subject to the restrictions of this Agreement shall not constitute a waiver of any claims it may have against the assignor, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms or conditions of this Agreement by the assignee, transferee or purchaser.

20.8 If, subject to the restrictions and conditions of transfer contained in this Article, Franchisee shall attempt to raise or secure funds by the sale of securities (including, without limitation, common or preferred stock, bonds, debentures or general or limited partnership interests) in Franchisee or any affiliates of Franchisee, Franchisee, recognizing that the written information used with respect thereto may reflect upon Franchisor, will submit any such written information to Franchisor prior to its inclusion in any registration statement, prospectus or similar offering circular or memorandum and will obtain the written consent of Franchisor to the method of financing prior to any offering or sale of such securities. For each proposed offering, Franchisee shall pay Franchisor a non-refundable fee in an amount equal to Five Thousand Dollars ($5,000) in order to reimburse Franchisor for its reasonable costs and expenses associated with reviewing the proposed offering, including, without limitation, legal and accounting fees. The written consent of Franchisor pursuant to this Section 20.8 shall not imply or constitute the approval of Franchisor with respect to the method of financing, the offering literature submitted to Franchisor or any other aspect of the offering. No information respecting Franchisor or any of its affiliates shall be included in any securities disclosure document, unless such information has been furnished by Franchisor, in writing, pursuant to the written request of Franchisee, in which Franchisee states the specific purpose for which the information is to be used. Should Franchisor, in its sole discretion, object to any reference to Franchisor or any of its affiliates or any of their businesses in such offering literature or prospectus, such literature or prospectus shall not be used unless and until the objections of Franchisor are withdrawn. Franchisor assumes no responsibility for any offering.

The prospectus or other literature utilized in any such offering shall contain the following language in bold-face type on the first textual page thereof:

> **"NEITHER BOBA TIME, INC. NOR ANY OF ITS AFFILIATES ASSUMES ANY RESPONSIBILITY WITH RESPECT TO THIS OFFERING AND/OR THE ADEQUACY OR ACCURACY OF THE INFORMATION SET FORTH HEREIN, INCLUDING ANY STATEMENTS MADE WITH RESPECT TO ANY OF THEM. NEITHER BOBA TIME, INC. NOR ANY OF ITS AFFILIATES ENDORSES OR MAKES ANY RECOMMENDATION WITH RESPECT TO THE INVESTMENT CONTEMPLATED BY THIS OFFERING."**

Franchisee and each of its owners agrees to indemnify, defend and hold harmless Franchisor and its affiliates, and their respective officers, directors, employees and agents, from any and all claims, demands, liabilities, and all costs and expenses (including, without limitation, reasonable attorneys' fees) incurred in the defense of such claims, demands or liabilities, arising from the offer or sale of such securities, whether asserted by a purchaser of any such security or by a governmental agency. Franchisor shall have the right (but not the obligation) to defend any such claims, demands or liabilities and/or to participate in the defense of any action to which Franchisor or any of its affiliates or any of their respective officers, directors, employees or agents is named as a party.

ARTICLE XXI
DEATH OR INCAPACITY OF FRANCHISEE

21.1 In the event of the death or permanent incapacity or disability of Franchisee, i.e., Franchisee is unable to operate the Juice and Snack Bar as an individual franchisee, or any partner of a Franchisee which is a partnership, or any shareholder owning fifty percent (50%) or more of the capital stock of a Franchisee which is a corporation, Franchisor shall consent to a transfer of that Franchisee's interest to Franchisee's heirs, beneficiaries or family designees (referred to in this Article as "Transferee") without payment of a transfer fee, subject to the following conditions:

A. Transferee must complete, and be approved through, Franchisor's standard franchise selection process, including satisfactorily demonstrating to Franchisor that Transferee meets the financial character and managerial criteria as Franchisor shall then be applying in considering applications for new franchisees;

B. Transferee shall agree, in writing, to personally assume liability for and to perform all the terms and conditions of this Agreement to the same extent as the original Franchisee; and

C. If Transferee is not approved, Franchisee or Franchisee's legal representative shall use that person's best efforts to sell the Juice and Snack Bar to a party acceptable to Franchisor within twelve (12) months from the date of Franchisee's death or permanent incapacity or disability and Franchisor shall have the option, but not the obligation, to operate and/or manage the Juice and Snack Bar for the account of Franchisee's estate until the deceased or incapacitated Franchisee's interest is transferred to another party acceptable to Franchisor. Should Franchisor elect to operate and/or manage the franchised Juice and Snack Bar, Franchisor shall make a complete accounting and shall forward fifty percent (50%) of the net income for the operation of the Juice and Snack Bar to Franchisee's estate. If the conveyance of the Juice and Snack Bar to a party acceptable to Franchisor has not taken place within the twelve (12) month period, Franchisor shall have the option, but not the duty, to purchase the Juice and Snack Bar and its equipment at the fair market value thereof as determined by independent qualified appraisers selected by Franchisor and the estate. In the event that these appraisers cannot agree on a fair market value, a third appraiser shall be selected by the other two appraisers and that appraiser's determination shall be binding on both parties. However, if Franchisor chooses not to repurchase the Juice and Snack Bar, then it may elect to terminate this Agreement, in which event the business franchised under this Agreement will automatically revert back to Franchisor, with Franchisor being obligated to purchase the equipment and trade fixtures at their book value, as set forth in the last certified financial statement of Franchisee.

ARTICLE XXII
OPERATION IN THE EVENT OF ABSENCE OR DISABILITY

In order to prevent any interruption of the Juice and Snack Bar operations which would cause harm to the Juice and Snack Bar, thereby depreciating its value, if Franchisee is absent for any reason or is incapacitated by reason of illness and is unable, in the sole and reasonable judgment of Franchisor, to operate the Juice and Snack Bar, Franchisee authorizes Franchisor, who may, at its option, operate the Juice and Snack Bar for so long as Franchisor deems necessary and practical, and without waiver of any other rights or remedies Franchisor may have under this Agreement. All monies from the operation of the Juice and Snack Bar during such period of operation by Franchisor shall be kept in a separate account, the expenses of the Juice and Snack Bar, including reasonable compensation and expenses for Franchisor's representative, shall be charged to that account. If, as provided in this Article, Franchisor temporarily operates the Juice and Snack Bar for Franchisee, Franchisee will indemnify and hold harmless Franchisor and any representative of Franchisor who may act under this Agreement, from any and all acts which Franchisor may perform, as regards the interests of Franchisee or third parties.

ARTICLE XXIII
INJUNCTIVE RELIEF

23.1 If Franchisee is in default, except for default with respect to monies required to be paid by Franchisee to Franchisor, under any provisions of this Agreement, Franchisor shall be entitled to seek a permanent injunction and any preliminary or temporary equitable relief in order to restrain the violation of this Agreement by Franchisee or any person acting for Franchisee or in Franchisee's behalf. Franchisor shall be entitled to its reasonable attorneys' fees and courts costs in connection with taking such action or in connection with any other remedy sought by Franchisor, provided Franchisor is the prevailing party. This remedy shall be cumulative to any other remedy available to Franchisor.

23.2 Franchisee agrees that it is impossible to measure in money the damages which Franchisor will sustain in the event of Franchisee's breach of this Agreement and, therefore, in the event Franchisor institutes injunctive proceedings under this Article, Franchisee waives the defense that Franchisor has an adequate remedy at law.

ARTICLE XXIV
RISK OF OPERATIONS

FRANCHISEE RECOGNIZES THAT THERE ARE MANY UNCERTAINTIES AND RISKS OF THIS BUSINESS, AND, THEREFORE, FRANCHISEE AGREES AND ACKNOWLEDGES THAT, EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT, NO REPRESENTATIONS, WARRANTIES, GUARANTEES OR AGREEMENTS HAVE BEEN MADE TO FRANCHISEE, EITHER BY FRANCHISOR OR BY ANYONE ACTING ON ITS BEHALF OR PURPORTING TO REPRESENT IT, INCLUDING, BUT NOT LIMITED TO, THE PROSPECTS FOR SUCCESSFUL OPERATIONS, THE LEVEL OF BUSINESS OR PROFITS THAT FRANCHISEE MIGHT REASONABLY EXPECT, OR THE DESIRABILITY, PROFITABILITY OR EXPECTED CUSTOMER VOLUME OF THE RESTAURANT. FRANCHISEE HEREBY ACKNOWLEDGES THAT ALL SUCH FACTORS ARE NECESSARILY DEPENDENT UPON VARIABLES WHICH ARE BEYOND FRANCHISOR'S CONTROL, INCLUDING, WITHOUT LIMITATION, THE ABILITY, MOTIVATION, AMOUNT AND QUALITY OF EFFORT EXPENDED BY FRANCHISEE. FRANCHISEE RELEASES FRANCHISOR, ITS SUBSIDIARY OR AFFILIATED CORPORATIONS, OFFICERS, DIRECTORS, AFFILIATES AND EMPLOYEES FROM ANY CLAIMS, SUITS AND LIABILITY RELATING TO THE OPERATION OF FRANCHISEE'S RESTAURANT INCLUDING, BUT NOT LIMITED TO, THE RESULTS OF ITS OPERATIONS, EXCEPT TO THE EXTENT THAT THE SAME IS PREDICATED UPON THE BREACH OF A SPECIFIC WRITTEN OBLIGATION OF FRANCHISOR CONTAINED IN THIS AGREEMENT.

ARTICLE XXV
OTHER OBLIGATIONS

Nothing contained in this Agreement shall inhibit or limit the unrestricted right of Franchisor to enter into or engage in any business or in the sale itself, or the licensing to others for the sale, of the proprietary food items other than the limitations imposed upon Franchisor by Article I above; Franchisee shall have no rights, benefits or entitlement with respect thereto.

ARTICLE XXVI
FORCE MAJEURE

Neither party shall be responsible to the other for non-performance or delay in performance occasioned by causes beyond its control, including without limitation, the generality of the foregoing acts or omission of other party, acts of civil or military authority, strikes, lockouts, embargoes, insurrections or acts of God, inability of Franchisor to purchase, deliver and/or manufacture of any of the proprietary food items, provided that inability of a party to obtain funds shall be deemed to be a cause within the control of such party. If any such delay occurs, any applicable time period shall be automatically extended for a period equal to the time lost, provided that the party affected makes reasonable efforts to correct the reason for such delay and gives to the other party prompt notice of any such delay.

ARTICLE XXVII
WAIVER OF VIOLATION OR DEFAULT

Waiver by Franchisor or Franchisee of any violation or default hereunder shall not alter or impair either party's right with respect to any subsequent violation or default, nor shall any delay or omission on the part of either party to exercise any right arising from such violation of default alter or impair such party's rights as to the same or any future violation or default. An acceptance by Franchisor of any payment from Franchisee after the date on which such payment is due shall not operate as a waiver of Franchisee's default or violation hereunder, nor alter or impair Franchisor's rights with respect to such violation or default.

ARTICLE XXVIII
NOTICE AND TIME

28.1 All communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when delivered personally or by fax transmission, or one (1) business day after being sent by overnight commercial courier service for next business day delivery, or five (5) days after being deposited in the United States mail, for certified or registered delivery, return receipt requested, postage prepaid. Notice to Franchisor shall be addressed to:

COMPANY: BOBA TIME, INC.
Attn: President
701 S. Vermont Ave.
Los Angeles, CA 90005
Telephone: (213) 386-2622

Notice to Franchisee shall be addressed to:

____
____
____
____

Either party may designate another address at any time by written notice to the other. Additionally, all payments and reports, required to be made, by Franchisee under this Agreement shall be given to Franchisor at the above address, except that regular reports may be sent by regular mail.

28.2 Time is of the essence in this Agreement with respect to each and every provision in which time is a factor. Whenever this Agreement refers to a period of days, the first day to be counted shall be the first day following the designated action or event. For any period of five (5) or fewer days, only business days (excluding Saturdays, Sundays and national holidays) shall be counted. Unless expressly stated otherwise, any period longer than five (5) days shall be measured by calendar days, except that if the last day of any such period is not a business day, the period shall automatically be extended to the next business day.

ARTICLE XXIX
APPLICABLE LAW AND VENUE

29.1 This Agreement takes effect upon its acceptance and execution by Franchisor in California, and shall be interpreted and construed under the laws of California, which laws shall prevail in the event of any conflict of law.

29.2 No right or remedy conferred upon or reserved to Franchisor or Franchisee by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy in this

Agreement or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

29.3 Nothing contained in this Agreement shall bar Franchisor's right to seek injunctive relief against threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

29.4 Franchisee acknowledges that Franchisee has and will continue to develop a substantial and continuing relationship with Franchisor at its principal offices in the State of California, where Franchisor's decision-making authority is vested and franchise operations are conducted and supervised. Therefore, the parties irrevocably agree and consent that in any action or proceeding brought by either party to this Agreement, each will submit to the exclusive jurisdiction and venue of any local, state or federal court located in Los Angeles County, California.

29.5 The parties agree to waive, now and forever, any and all rights either may have under the federal RICO statute.

29.6 The parties waive to the fullest extent permitted by law, any right to or claim for any punitive or exemplary damages against the other, and agree that in the event of a dispute between them, each shall be limited to the recovery of any actual damages sustained by it. The parties irrevocably waive trial by jury in any action, proceeding or counterclaim, whether at law or in equity, brought by either of them.

29.7 In the event Franchisor employs legal counsel or incurs other expense to enforce any obligation of Franchisee under this Agreement, or to defend against any claim, demand, action or proceeding by reason of Franchisee's failure to perform any obligation imposed upon Franchisee by this Agreement, Franchisor shall be entitled to recover from Franchisee the amount of all reasonable attorneys' fees of such counsel and all other expenses incurred in enforcing such obligation or in defending against such claim, demand, action, or proceeding, whether incurred prior to or in preparation for or contemplation of the filing of such action or thereafter.

29.8 Franchisee agrees that he will not, on grounds of the alleged non-performance by Franchisor of any of its obligations under this Agreement, withhold payment of any Royalty Fee, advertising contributions or any other amounts due to Franchisor.

ARTICLE XXX
ARBITRATION

30.1 IF ANY PARTY IS REQUIRED TO EMPLOY LEGAL COUNSEL OR TO INCUR OTHER REASONABLE EXPENSES TO ENFORCE ANY OBLIGATION OF ANOTHER PARTY, OR TO DEFEND AGAINST ANY CLAIM, DEMAND, ACTION, OR PROCEEDING BY REASON OF ANOTHER PARTY'S FAILURE TO PERFORM ANY OBLIGATION IMPOSED UPON SUCH PARTY BY THIS AGREEMENT, AND PROVIDED THAT LEGAL ACTION IS FILED BY OR AGAINST THE FIRST PARTY AND SUCH ACTION OR ITS SETTLEMENT ESTABLISHES THE OTHER PARTY'S DEFAULT, THEN THE PREVAILING PARTY SHALL BE ENTITLED TO RECOVER FROM THE OTHER PARTY THE AMOUNT OF ALL REASONABLE ATTORNEYS' FEES OF SUCH COUNSEL AND ALL OTHER EXPENSES REASONABLY INCURRED IN ENFORCING SUCH OBLIGATION OR IN DEFENDING AGAINST SUCH CLAIM, DEMAND, ACTION, OR PROCEEDING, WHETHER INCURRED PRIOR TO OR IN PREPARATION FOR OR CONTEMPLATION OF THE FILING OF SUCH ACTION OR THEREAFTER. NOTHING

CONTAINED IN THIS PARAGRAPH SHALL RELATE TO ARBITRATION PROCEEDINGS PURSUANT TO THIS AGREEMENT.

30.2 EXCEPT AS SPECIFICALLY OTHERWISE PROVIDED IN THIS AGREEMENT, THE PARTIES AGREE THAT ALL CONTRACT DISPUTES THAT CANNOT BE AMICABLY SETTLED BETWEEN THEM SHALL BE DETERMINED SOLELY AND EXCLUSIVELY BY ARBITRATION UNDER THE FEDERAL ARBITRATION ACT, AS AMENDED, AND IN ACCORDANCE WITH THE RULES OF THE AMERICAN ARBITRATION ASSOCIATION OR ANY SUCCESSOR THEREOF. ARBITRATION SHALL TAKE PLACE IN LOS ANGELES, CALIFORNIA.

30.3 EACH PARTY SHALL SELECT ONE (1) ARBITRATOR (WHO SHALL NOT BE COUNSEL FOR THE PARTY), AND THE TWO (2) SO DESIGNATED SHALL SELECT A THIRD ARBITRATOR. IF EITHER PARTY SHALL FAIL TO DESIGNATE AN ARBITRATOR WITHIN SEVEN (7) DAYS AFTER ARBITRATION IS REQUESTED, OR IF THE TWO ARBITRATORS SHALL FAIL TO SELECT A THIRD ARBITRATOR WITHIN FOURTEEN (14) DAYS AFTER ARBITRATION IS REQUESTED, THEN AN ARBITRATOR SHALL BE SELECTED BY THE AMERICAN ARBITRATION ASSOCIATION OR ANY SUCCESSOR THERETO UPON APPLICATION OF EITHER PARTY. JUDGMENT UPON ANY AWARD OF THE MAJORITY OF THE ARBITRATORS SHALL BE BINDING AND SHALL BE ENTERED IN A COURT OF COMPETENT JURISDICTION. THE AWARD OF THE ARBITRATORS MAY GRANT ANY RELIEF WHICH MIGHT BE GRANTED BY A COURT OF GENERAL JURISDICTION, INCLUDING, WITHOUT LIMITATION, BY REASON OF ENUMERATION, AWARD OF DAMAGES (BUT EXCLUDING INJUNCTIVE RELIEF), AND MAY, IN THE DISCRETION OF THE ARBITRATORS, ASSESS, IN ADDITION, THE COSTS OF ARBITRATION, INCLUDING THE REASONABLE FEES OF THE ARBITRATORS AND REASONABLE ATTORNEYS' FEES, AGAINST EITHER OR BOTH PARTIES, IN PROPORTIONS AS THE ARBITRATORS SHALL DETERMINE.

30.4 NOTHING CONTAINED IN THIS AGREEMENT SHALL BAR EITHER PARTY FROM SEEKING AND OBTAINING TEMPORARY AND PERMANENT INJUNCTIVE RELIEF FROM A COURT OF COMPETENT JURISDICTION CONSISTENT WITH THIS ARTICLE XXX IN ACCORDANCE WITH APPLICABLE LAW AGAINST THREATENED CONDUCT THAT WILL, IN SUCH PARTY'S DISCRETION, CAUSE SUCH PARTY LOSS OR DAMAGE.

30.5 THE PARTIES INTEND THAT ANY ARBITRATION BETWEEN FRANCHISEE AND FRANCHISOR REGARDING A CLAIM OF FRANCHISEE SHALL BE OF FRANCHISEE'S INDIVIDUAL CLAIM, AND THAT NO SUCH CLAIM SUBJECT TO ARBITRATION SHALL BE ARBITRATED ON A CLASS-WIDE BASIS.

30.6 FRANCHISEE SHALL NOT ASSERT ANY CLAIM OR CAUSE OF ACTION AGAINST FRANCHISOR, ITS OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES OR AFFILIATES AFTER ONE (1) YEAR FOLLOWING THE EVENT GIVING RISE TO SUCH CLAIM OR CAUSE OF ACTION.

ARTICLE XXXI
ACKNOWLEDGMENTS

31.1 FRANCHISEE ACKNOWLEDGES THAT FRANCHISEE HAS CONDUCTED AN INDEPENDENT INVESTIGATION OF THE FRANCHISED BUSINESS, AND RECOGNIZES THAT

THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT INVOLVES BUSINESS RISKS, AND THAT ITS SUCCESS WILL BE LARGELY DEPENDENT UPON THE ABILITY OF FRANCHISEE AS AN INDEPENDENT BUSINESS PERSON. FRANCHISOR EXPRESSLY DISCLAIMS THE MAKING OF, AND FRANCHISEE ACKNOWLEDGES THAT FRANCHISEE HAS NOT RECEIVED, ANY WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, AS TO THE POTENTIAL VOLUME, PROFITS, OR SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT.

31.2 FRANCHISEE ACKNOWLEDGES THAT HE/SHE HAS RECEIVED, READ, AND UNDERSTOOD THIS AGREEMENT, INCLUDING ITS EXHIBITS; THAT FRANCHISOR HAS FULLY AND ADEQUATELY EXPLAINED THE PROVISIONS OF EACH TO FRANCHISEE'S SATISFACTION; AND THAT FRANCHISOR HAS ACCORDED FRANCHISEE AMPLE TIME AND OPPORTUNITY TO CONSULT WITH ADVISORS OF FRANCHISEE'S OWN CHOOSING ABOUT THE POTENTIAL BENEFITS AND RISKS OF ENTERING INTO THIS AGREEMENT.

31.3 FRANCHISEE ACKNOWLEDGES THAT FRANCHISEE HAS RECEIVED A COMPLETE COPY OF THIS AGREEMENT, THE EXHIBITS REFERRED TO IN THIS AGREEMENT, AND ANY OTHER AGREEMENTS RELATING HERETO, IF ANY, AT LEAST FIVE (5) BUSINESS DAYS PRIOR TO THE DATE ON WHICH THIS AGREEMENT WAS EXECUTED. FRANCHISEE FURTHER ACKNOWLEDGES THAT FRANCHISEE HAS RECEIVED THE DISCLOSURE DOCUMENT REQUIRED BY THE TRADE REGULATION RULE OF THE FEDERAL TRADE COMMISSION, ENTITLED "DISCLOSURE REQUIREMENT AND PROHIBITIONS CONCERNING FRANCHISING AND BUSINESS OPPORTUNITY VENTURES," AT LEAST FOURTEEN (14) BUSINESS DAYS PRIOR TO THE DATE ON WHICH THIS AGREEMENT WAS EXECUTED.

31.4 FRANCHISEE ACKNOWLEDGES AND IS AWARE OF THE FACT THAT SOME FRANCHISEES OF FRANCHISOR MAY OPERATE UNDER DIFFERENT FORMS OF AGREEMENTS AND, CONSEQUENTLY, THAT FRANCHISOR'S OBLIGATIONS AND RIGHTS IN RESPECT TO ITS VARIOUS FRANCHISEES MAY DIFFER MATERIALLY IN CERTAIN CIRCUMSTANCES.

ARTICLE XXXII
<u>ENTIRE AGREEMENT</u>

This Agreement, together with the Area Development Agreement, if applicable, and any other Franchise Agreements thereunder, constitutes the entire agreement between Franchisor and Franchisee with respect to the subject matter hereof, and this Agreement supersedes all prior and contemporaneous agreements between Franchisor and Franchisee in connection with its subject matter. In the event of any conflict between the terms of this Agreement and the terms of the Area Development Agreement, if applicable, or any other Franchise Agreement, the terms of this Agreement shall prevail. No officer, employee or other servant or agent of Franchisor or Franchisee is authorized to make any representation, warranty or other promise not contained in this Agreement. No change, termination or attempted waiver of any of the provisions of this Agreement shall be binding upon Franchisor or Franchisee unless in writing and signed by Franchisor and Franchisee. Be that as it may, nothing in this Agreement or in any related agreement is intended to disclaim the representations Franchisor made in the franchise disclosure document.

ARTICLE XXXIII
JOINT AND SEVERAL OBLIGATION

If Franchisee consists of more than one (1) person, their liability under this Agreement shall be deemed to be joint and several.

ARTICLE XXXIV
SECURITY INTEREST

Franchisee grants to Franchisor a security interest in all of Franchisee's interest in all leasehold improvements, furniture, furnishings, fixtures, equipment, inventory and supplies located at or used in connection with the Juice and Snack Bar, now or hereafter leased or acquired, together with all attachments, accessions, accessories, additions, substitutions and replacements therefore, and all cash and non-cash proceeds derived from insurance or the disposition of such collateral, to secure payment and performance of all debts, liabilities and obligations of any kind, whenever and however incurred, of Franchisee to Franchisor. Franchisee agrees to execute and deliver to Franchisor in a timely manner all financial statements and other documents necessary or desirable to evidence, perfect and continue the priority of such security interests under the Uniform Commercial Code. For such purposes, the address of Franchisee and Franchisor are set forth in Article XXVIII of this Agreement. If Franchisee is in good standing, Franchisor will, upon request, execute subordinations of its security interest to suppliers, lenders and/or lessors furnishing equipment or financing for the Juice and Snack Bar.

ARTICLE XXXV
COUNTERPART; PARAGRAPH HEADINGS; PRONOUNS

This Agreement may be executed in any number of counterparts, all of which when taken together shall constitute one and the same instrument. The paragraph headings in this Agreement are for convenience only, and shall not be deemed to alter or affect any of its provisions. Each pronoun used in this Agreement shall be deemed to include the other number of genders.

ARTICLE XXXVI
SEVERABILITY AND CONSTRUCTION

36.1 Each section, part, term and provision of this Agreement shall be considered severable, and if, for any reason, any section, part, term or provision is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation, that shall not impair the operation of, or affect the remaining portions, parts, terms or provisions of this Agreement, and the latter will continue to be given full force and effect and bind the parties, and the invalid sections, parts, terms or provisions shall be deemed not to be a part of this Agreement; provided, however, that if Franchisor determines that the finding of illegality adversely affects the basic consideration of this Agreement, Franchisor and Franchisee may terminate this Agreement.

36.2 Anything to the contrary in this Agreement notwithstanding, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity, other than Franchisor or Franchisee and such of their respective successors and assigns as may be contemplated by this Agreement, any rights or remedies under or by reason of this Agreement.

36.3 Franchisee expressly agrees to be bound by any promise or covenant imposing the maximum duty permitted by law, which is subsumed within the terms of any provision hereof as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions of this Agreement any portion or portions which a court may hold to be unreasonable and unenforceable in a final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

36.4 All captions in this Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision.

36.5 This Agreement shall be executed in two or more counterparts, and each copy so executed shall be deemed a duplicate original.

The parties have executed this Agreement on the date first written above.

BOBA TIME, INC.

By: ______________________________
Eunice Unmi Pak, President

FRANCHISEE

By: ______________________________
Name:

____
Name

____
Name

BOBA TIME, INC.

FRANCHISE AGREEMENT

EXHIBIT "A"

LOCATION

Franchisee's Location shall be as follows:

To be Determined (see Area Development Agreement)

BOBA TIME, INC.

By: ______________________________
Eunice Unmi Pak, President

FRANCHISEE

By: ______________________________
Name:

BOBA TIME, INC.

FRANCHISE AGREEMENT

EXHIBIT "B"

GUARANTEE AGREEMENT

THIS GUARANTEE AGREEMENT ("Guarantee") entered into this _____ day of _________, 20__, by and between BOBA TIME, INC., a California corporation ("Secured Party" and "Franchisor" as hereafter defined) and each of the undersigned persons and their spouses (each a "Guarantor"), being all of the shareholders, directors and officers or members, managers, partners, principals or other beneficial owners or controlling persons, as applicable, of the "Franchisee"/"Debtor" (as hereafter defined).

WITNESSETH:

WHEREAS, Franchisee, ("Franchisee" and "Debtor") has entered into an Area Development Agreement and/or Franchise Agreement dated _____________, 20__ (collectively, the "Franchise Agreements") with the Secured Party;

WHEREAS, Guarantor is a shareholder, director and officer or member, manager, partner, principal or other beneficial owner or controlling person, as applicable, in Debtor, or a spouse of such person, and will benefit from the Franchise Agreements;

WHEREAS, the Secured Party is willing to enter the Franchise Agreements with Debtor only if Guarantor agrees to guarantee the full, prompt, complete and faithful performance of all the terms, covenants, conditions and obligation(s) on Debtor's part to be performed under the Franchise Agreements, and all other agreements and instruments ancillary to such agreements, and including any amendments or renewals thereof (the "Documents");

NOW, THEREFORE, in order to induce the Secured Party to enter the Franchise Agreements and the Documents with Debtor and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each Guarantor hereby jointly and severally agrees to be bound by the Documents and jointly and severally covenants and agrees with the Secured Party as follows:

ARTICLE I
GUARANTEE

1.1 Guarantor unconditionally guarantees the full, prompt, complete and faithful performance, payment, observance and fulfillment by Debtor of all of the terms, covenants and conditions and any obligation(s) under the Documents when due and any and all fees, royalties and other sums that may become due to the Secured Party from Debtor under the Documents ("Obligation(s)"). Guarantor further agrees to pay all expenses (including reasonable attorneys' fees and legal expenses) incurred by the Secured Party in endeavoring to collect the Obligation(s), or any part thereof, or in securing the performance thereof, or in enforcing this Guarantee.

1.2 Guarantor hereby covenants and agrees unconditionally that in the event Debtor fails to make any payment due under the Obligations on the due date as set forth in the Documents, or an event of default occurs, as defined in the Documents ("Event of Default"), within ten (10) days of the receipt of written notice from or on behalf of the Secured Party to the effect that there exists such an Event of Default and of the amount or nature of the Obligation(s) which Debtor has failed to pay or perform, Guarantor will pay the entire unpaid amount thereof to the Secured Party at its office set forth on the signature page attached hereto. In the event that the Guarantor should fail or decline to pay any sums properly due to the Secured Party hereunder within ten (10) days following the Secured Party's request for the payment of any such sums, then said sums shall bear interest at annual interest rate equal to twelve percent (12%). Further, if Guarantor shall fail to pay any amount or perform any Obligation(s) properly due to the Secured Party hereunder, the Secured Party may institute and pursue any action or proceeding to judgment or final decree and may enforce any such judgment or final decree against Guarantor and collect, in the manner provided by law, out of Guarantor's property, wherever situated, the monies adjudged or decreed to be payable.

1.3 This Guarantee shall not be limited to any particular period of time, but rather shall continue absolutely, unconditionally and irrevocably until all the terms, covenants and conditions of the Documents have been fully and completely performed by Debtor or otherwise discharged and/or released by the Secured Party, and Guarantor shall not be released from any duty, obligation or liability hereunder so long as there is any claim of the Secured Party against Debtor arising out of the Documents which have not been performed, settled or discharged in full.

ARTICLE II
REMEDIES AND RIGHTS OF SECURED PARTY

2.1 The Secured Party shall give Guarantor notice in writing of an Event of Default or any event which might mature into an Event of Default known to Secured Party (but neither failure to give, nor defect in, any notice shall extinguish or in any way affect the Obligation(s) of Guarantor hereunder). Neither demand on, nor the pursuit of any remedies against, Debtor or any other guarantor of the Obligation(s) ("Obligor") shall be required as a condition precedent to, or neither the dependency nor the prior termination of any action, suit or proceeding against the Debtor or any Obligor (whether for the same or a different remedy) shall bar or prejudice the making of a demand on Guarantor by the Secured Party and the commencement against Guarantor after such demand of, any action, suit or proceeding, at law or in equity, for the specific performance of any covenant or agreement contained in the Documents or for the enforcement of any other appropriate legal or equitable remedy.

2.2 Guarantor's liability hereunder is primary, direct and immediate. Guarantor agrees that neither:

(i) The exercise or the failure to exercise by the Secured Party of any rights or remedies conferred on it under the Documents, hereunder or existing at law or otherwise, or against any collateral;

(ii) The recovery of a judgment against Debtor or Obligor;

(iii) The commencement of an action at law or the recovery of a judgment at law against Debtor or any Obligor and the enforcement thereof through levy or execution or otherwise;

(iv) The taking or institution or any other action or proceeding against Debtor or any Obligor; nor

(v) The delay in taking, pursuing or exercising any of the foregoing actions, rights, powers or remedies (even though requested by Guarantor) by the Secured Party shall extinguish or affect the Obligation(s) of Guarantor hereunder, but Guarantor shall be and remain liable for and until all Obligation(s) shall have been fully paid notwithstanding the previous discharge (total or partial) from further liability of Debtor or any Obligor or the existence of any bar (total, partial or temporary) to the pursuit by Guarantor of any right or claim to be subrogated to the right or claims of the Secured Party resulting from any action or failure or omission to act or delay in acting by the Secured Party, or anyone entitled to act in its place.

2.3 In case any of the Guarantor shall become insolvent or admit in writing his, her or its inability to pay his, her or its debts as they mature, or apply for, consent to or acquiesce in the appointment of a trustee, receiver, liquidator, assignee, sequestrator or other similar official for either Guarantor, or any of his, her or its property; or, in the absence of such application, consent or acquiescence, a trustee, receiver, liquidator, assignee, sequestrator or other similar official is appointed for Guarantor, or for a substantial part of his, her or its property and is not discharged within 60 days; or any bankruptcy, reorganization, debt arrangement or other proceeding under any bankruptcy, admiralty or insolvency law or at common law or in equity is instituted by or against Guarantor, or remains for 60 days undismissed, then if any such event shall occur at a time when any of the Obligation(s) may not be then due and payable, Guarantor will pay to the Secured Party forthwith the whole unpaid amount under the Documents and Documents plus any other sums due under the Documents and other Documents, irrespective of whether any demand shall have been made on Guarantor, Debtor or any Obligor by intervention in or initiation of judicial proceedings relative to Guarantor, his, her or its creditors or his, her or its property. The Secured Party may file and prove a claim or claims for the whole unpaid amount or any portion thereof and for any other sums due under the Documents and other Documents and file such other papers or documents as may be necessary or advisable in order to have such claim allowed in such judicial proceedings and to collect and receive any monies or other property payable or deliverable on any such claim, and to distribute the same; and any receiver, assignee or trustee in bankruptcy or reorganization is hereby authorized to make such payments to the Secured Party.

2.4 The benefits, remedies and rights provided or intended to be provided hereby for the Secured Party are in addition to and without prejudice to any rights, benefits, remedies or security to which the Secured Party might otherwise be entitled.

2.5 Notwithstanding anything mentioned herein to the contrary, the Secured Party, from time to time, without notice to Guarantor, may take all or any of the following actions without in any manner affecting or impairing the liability of Guarantor hereunder:

(i) Obtain a security interest in any property to secure any of the Obligation(s) hereunder;

(ii) Retain or obtain the primary or secondary liability of any party or parties, in addition to Guarantor, with respect to any of the Obligation(s);

(iii) Extend the time for payment of the Documents or any installment thereof for any period;

(iv) Release or compromise any liability of Guarantor hereunder or any liability of any nature of any other party or parties with respect to the Obligation(s);

(v) Resort to Guarantor for payment of any Obligation(s), whether or not the Secured Party shall proceed against any other party primarily or secondarily liable on any of the Obligation(s); or

(vi) Agree to any amendments, modification or alteration of the Documents and exercise its rights to consent to any action or non-action of Debtor which may violate the covenants and agreements contained in the Documents with or without consideration, on such terms and conditions as may be acceptable to it.

2.6 Guarantor agrees that if at any time all or any part of any payment theretofore applied by the Secured Party to any of the Obligation(s) is or must be rescinded or returned by the Secured Party for any reason whatsoever (including, without limitation, the insolvency, bankruptcy or reorganization of Debtor) such Obligation(s), for purposes of this Guarantee, to the extent that such payment is or must be rescinded or returned, shall be deemed to have continued in existence, notwithstanding such application by the Secured Party, and this Guarantee shall continue to be effective or be reinstated, as the case may be, as to such Obligation(s), all as though such application by the Secured Party had not been made.

ARTICLE III
GUARANTOR'S WARRANTIES

3.1 Guarantor represents and warrants to the Secured Party that:

(i) This Guarantee has been duly executed and delivered by the Guarantor and constitutes a legal, valid and binding obligation of Guarantor enforceable against him, her or it in accordance with its terms;

(ii) There is no action, litigation or other proceeding pending or threatened against Guarantor, before any court, arbitrator or administrative agency which may have a materially adverse effect on the assets, businesses, or financial condition of Guarantor, or which would prevent, hinder or jeopardize his, her or its performance under this Guarantee;

(iii) Guarantor is fully familiar with all of the covenants, terms and conditions of the Documents and the Documents;

(iv) The Guarantor is not party to any contract, agreement, indenture or instrument or subject to any restriction which might materially adversely affect his, her or its financial condition which would in any way jeopardize the ability of Guarantor to perform hereunder; and

(v) The Financial Statement of Debtor attached hereto as Exhibit "A" is correct in all material respects and accurately represents the financial condition of Debtor as of __________ ___, 20__.

ARTICLE IV
MISCELLANEOUS PROVISIONS

4.1 All the covenants, stipulations, promises and agreements contained in this Guarantee by or on behalf of Guarantor are for the benefit of the Secured Party, its successors or assigns and shall bind Guarantor and his, her or its heirs, executors, personal representative, successors and assigns.

4.2 Any notice or demand which by any provision of this Guarantee is required or permitted to be given by Secured Party to Guarantor shall be deemed to have been sufficiently given for all purposes if given by first-class mail, postage prepaid, to Guarantor at the address set forth after his, her or its signature below (until another address is filed by Guarantor with Secured Party for such purposes).

4.3 The Secured Party, without notice of any kind, may sell, assign or transfer the Documents, and in such event each and every immediate and successive assignee or transferee thereof may be given the right by the Secured Party to enforce this Guarantee in full, by suit or otherwise, for its own benefit. Guarantor hereby agrees for the benefit of any such assignee or transferee that his, her or its Obligation(s) hereunder shall not be subject to any reduction, abatement, defense, set-off, counterclaim or recoupment for any reason whatsoever.

4.4 Guarantor hereby expressly waives:

(i) Notice of the acceptance by the Secured Party of this Guarantee;

(ii) Notice of the existence, creation or non-payment of all or any of the Obligation(s);

(iii) Presentment, demand, notice or dishonor, protest and all other notices whatsoever; and

(iv) All diligence in collection or protection of or realization on the Obligation(s) or any thereof hereunder, or any security for or guarantee of any of the foregoing.

4.5 No delay on the part of the Secured Party in the exercise of any right or remedy shall operate as a wavier thereof, and no single or partial exercise by the Secured Party of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy; nor shall any modification or waiver of any of the provisions of this Guarantee be binding on the Secured Party except as expressly set forth in writing, duly signed and delivered on behalf of the Secured Party. No action of the Secured Party permitted hereunder and the Obligation(s) of Guarantor under this Guarantee.

4.6 This Guarantee shall in all respects be governed by and construed and enforced in accordance with the laws of the State of California and the parties hereto submit to the non-exclusive jurisdiction of the courts of Los Angeles County, California and all courts competent to hear appeals therefrom.

4.7 Any provision of this Guarantee that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and no such prohibition or unenforceability shall invalidate or render unenforceable such provision in any other jurisdiction.

IN WITNESS WHEREOF, the parties hereto have executed this Guarantee as of the date first written above.

"SECURED PARTY"
BOBA TIME, INC.

By: ______________________________
Eunice Unmi Pak, President

"GUARANTORS"	**"SPOUSE"**
______________________________ Name: Address:	______________________________
______________________________ Name: Address:	______________________________
______________________________ Name: Address:	______________________________
______________________________ Name: Address:	______________________________

BOBA TIME, INC.
FRANCHISE AGREEMENT
EXHIBIT "C"

CONDITIONAL LEASE ASSIGNMENT PROVISIONS

The clauses referred to in Article 2.1 of the attached Franchise Agreement are as follows:

(i) The premises being leased hereunder shall be used solely for the operation of a "IT'S BOBA TIME" Juice and Snack Bar.

(ii) Lessor has examined Franchisor's standard design concepts and specifications and consents to Lessee's use of same and of Franchisor's Marks and such signage as Franchisor may prescribe for the Juice and Snack Bar.

(iii) Lessee may not sublease or assign all or any part of its occupancy rights, or extend the term or renew the lease, without Franchisor's prior written consent.

(iv) Lessor shall furnish Franchisor a copy of the executed lease, including all attachments thereto and related agreements, if any, within five (5) days after its execution, and no change or amendment to such lease affecting the above terms and conditions shall be effective without Franchisor's prior written approval.

(v) Notwithstanding anything to the contrary contained in this Lease, it is expressly understood and agreed that if the Franchise Agreement dated the ___ day of __________, 20__ between the Lessee and Franchisor expires or is terminated for any reason whatsoever, the Lessee's rights hereunder shall, at the option of Franchisor, be transferred and assigned to it. Said option may be exercised by Franchisor giving the Lessor notice in writing within thirty (30) days following the expiration or termination of the said Franchise Agreement, such notice to specify, inter alia, the date of such expiration or termination. The Lessee acknowledges and agrees that the Lessor may rely upon such notice and shall not be required to inquire into the due execution thereof or the accuracy of the statements set forth therein. It is further agreed that such notice shall, without further act or formality, operate as an effective assignment of the Lessee's right hereunder to Franchisor and the assumption by Franchisor of the covenants herein required to be observed or performed by the Lessee. Franchisor shall thereafter have the right to assign or sublet the Premises to such person as it may designate provided that in such event that this clause be contained therein. Notwithstanding the foregoing, Franchisor shall, forthwith upon exercise of such option, execute such documents evidencing its agreement to thereafter keep and perform or cause to be kept or performed all of the obligations of the Lessee arising under this Lease from and after the time of the exercise of such option.

(vi) In the event Franchisor elects not to exercise the above option, Lessor shall permit Franchisor to enter the premises in order to make any modification necessary to protect Franchisor's Marks.

(vii) The Lessor shall give written notice to Franchisor (concurrently with the giving of such notice to the Lessee) of any default by the Lessee under the Lease and Franchisor shall have, after the expiration of the period during which the Lessee may cure such default, an additional fifteen (15) days to cure, at its sole option, any such default, providing that if such default arises by reason of the bankruptcy or insolvency of the Lessee or the appointment of a receiver over the Lessee's assets or part thereof, Franchisor shall have the right to assume this

Lease upon payment of any arrears of rental to such date. In the event of any such assumption, the Lessee shall cease to have any further rights hereunder.

(viii) The Lessor acknowledges that the said Franchise Agreement contains a right on the part of Franchisor, in the event of expiration or termination of the said Franchise Agreement for any reason whatsoever, to enter the premises hereby demised and to operate the Juice and Snack Bar for the account of the Lessee for a period as set forth in the said Franchise Agreement. The Lessor further acknowledges that such entry by Franchisor shall not constitute an assignment of this Lease, nor a subletting of the premises hereby demised.

(ix) The Lessor acknowledges that Franchisor is executing this Lease solely for the purpose of acknowledging the provisions contained in the foregoing clauses (i) to (iv) and agrees that such execution by Franchisor shall in no way be construed so as to obligate Franchisor for the performance of any of the terms, conditions, obligations and covenants contained herein, except as specifically set forth in clause (i).

The foregoing provisions shall be incorporated into Franchisee's lease or sublease agreement.

BOBA TIME, INC.

By: ______________________________
Eunice Unmi Pak, President

FRANCHISEE

By: ______________________________
Name:

____
Name

____
Name

BOBA TIME, INC.

FRANCHISE AGREEMENT

EXHIBIT "D"

SITE LOCATION ADDENDUM

Site Location

BOBA TIME, INC. (hereinafter "Franchisor") and Franchisee (hereinafter "Franchisee) have this date, _____________, 20__, entered into a certain Franchise Agreement, (hereinafter "Franchise Agreement") and desire to supplement its terms as set out below. The parties hereto therefore agree as follows:

A. Site Selection

Within 1 year, (365) days after execution of this Addendum, Franchisee shall acquire, by lease or purchase, at Franchisee's expense and subject to Franchisor's approval as hereinafter provided, a location for the franchised business. Such location shall be within the following geographic area (which is described solely for the purpose of selecting a site for the franchised business):

To be determined (see Area Development Agreement)

B. Guidelines and Evaluation

In connection with Franchisee's selection of a site for the franchised business, Franchisor shall furnish to Franchisee the following:

1. Site selection guidelines, and such site selection, counseling and assistance as Franchisor may deem advisable.

2. Such on-site evaluation as Franchisor may deem advisable in response to Franchisee's request for site approval; provided, however, that Franchisor shall not provide on-site evaluation for any proposed site prior to the receipt of a market feasibility study for such site prepared by Franchisee pursuant to Paragraph C. hereof. If on-site evaluation is deemed necessary and appropriate by Franchisor (on its own initiative or at Franchisee's request), Franchisee shall reimburse Franchisor for all reasonable expenses incurred by Franchisor in connection with such on-site evaluation, including, without limitation, the cost of travel, lodging and meals, following Franchisee's approval in advance of same.

C. Site Approval

Prior to the acquisition by lease or purchase of any proposed location for the franchised business, Franchisee shall submit to Franchisor, in the form specified by Franchisor, a description of the proposed location, a market feasibility study for the proposed location, and such other information or materials as Franchisor may reasonably require, together with a letter of intent or other evidence satisfactory to Franchisor which confirms Franchisee's favorable prospects for obtaining the proposed location. Recognizing that time is of the essence, Franchisee agrees that it must submit such information and material for the proposed location to Franchisor for its approval no later than ________(__) days after the execution of the Franchise Agreement. Franchisor shall have _______(__) days after receipt of such information and materials from Franchisee to approve or disapprove, at its sole discretion, the proposed location as the location for the franchised business. The proposed location shall not be deemed approved unless written notice of approval is given to Franchisee by Franchisor.

D. Lease Provisions

The lease for the premises of the franchised business shall be submitted to Franchisor for its written approval prior to execution by Franchisee and the Lessor, and shall contain the following terms and conditions:

1. That the premises shall be used only for the operation of the franchised business.

2. That the landlord has examined Franchisor's standard design concepts and consents to Franchisee's use of such Proprietary Marks and signage as Franchisor may prescribe for the franchised business.

3. That the landlord agrees to furnish Franchisor with copies of any and all letters and notices sent to Franchisee pertaining to the lease and premises, at the same time that such letters and notices are sent to Franchisee.

4. That Franchisee may not sublease or assign all or any part of its occupancy rights, or extend the term or renew the lease, without Franchisor's prior written consent.

5. That Franchisor shall have the right to enter the premises to make any modification necessary to protect Franchisor's Proprietary Marks or to cure any default under the lease or under this Agreement.

6. That Franchisor shall have the option to assume Franchisee's occupancy rights, and the right to assign or sublease for all or any part of the remaining term, upon Franchisee's default or termination under such lease or under this Agreement.

7. That Franchisor shall be furnished a copy of the executed lease, ten (10) days after its execution, and no change or amendment to such lease affecting the above terms and conditions shall be effective without Franchisor's prior written approval.

E. Relocation

Upon Franchisor's approval of a location for the franchised business, or upon execution of this Agreement, whichever occurs earlier, the street address of the approved location of the franchised business shall be recorded and shall be attached as Exhibit "A" to this Agreement. Franchisee shall not relocate the franchised business without the express prior written consent of Franchisor.

F. Construction

Franchisee shall promptly commence construction or leasehold improvements (hereinafter "Construction") of the franchise business after Franchisee executes this addendum, executes a lease, or obtains the right to possession of the premises, whichever occurs latest. Franchisee shall provide written notice to Franchisor of the date Construction of the franchised business commences immediately after commencement. Franchisee shall promptly maintain continuous Construction of the franchised business premises and shall complete Construction, including all exterior and interior carpentry, electrical, painting and finishing work, and installation of all furnishings, fixtures, equipment, and signs, in accordance with the approved plans and specifications at Franchisee's expense after execution of the lease. Each week during the Construction period, Franchisee and Franchisee's architect or general contractor shall certify in writing to Franchisor that all work is proceeding substantially on schedule, and in accordance with the approved plans and specifications and all applicable laws, regulations ordinances and restrictive covenants. Franchisee further agrees that Franchisor and its agents shall have the right to inspect the Construction at all reasonable times.

G. Permits and Approvals

Before or upon completion of Construction, Franchisee shall obtain, and shall furnish to Franchisor copies of, all necessary permits, approvals, and certificates required for occupancy of the premises and operation of the franchised business. Franchisee shall be prepared to open the franchised business within three hundred sixty five (365) days after the date of execution of the lease.

H. Time of Essence

Franchisee and Franchisor agree that time is of the essence in Franchisee's performance of its obligations hereunder. Any failure by Franchisee to meet the time limits imposed under this Addendum shall constitute a default under Section 13.2.A of the Franchise Agreement, for which Franchisor may terminate this Agreement upon notice to Franchisee.

I. Effect of Franchise Agreement

This Addendum shall be considered an integral part of the Franchise Agreement between the parties hereto, and the terms of this Addendum shall be controlling with respect to the subject matter hereof. Except as modified or supplemented by this Addendum, the terms of the Franchise Agreement are hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum in triplicate on the day and year first above written.

BOBA TIME, INC.

By: ______________________________
Eunice Unmi Pak, President

FRANCHISEE

By: ______________________________

BOBA TIME, INC.
FRANCHISE AGREEMENT

EXHIBIT "E"

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

THIS AGREEMENT is made by and between BOBA TIME, INC., a California corporation with its corporate headquarters office at 701 S. Vermont Ave., Los Angeles, CA 90005 (the "Franchisor"), and ______________________ (the "Franchisee").

WHEREAS, Franchisor has developed an established business and is engaged in the development, marketing and sale to franchisees of an efficient and distinctive system of training employees, preparing, serving, merchandising, and selling products typically sold in an "IT'S BOBA TIME" Juice and Snack Bar, served by a distinctively uniformed staff, and well trained, in distinctively designed, furnished, decorated and equipped juice and snack bars under the name "IT'S BOBA TIME"; and

WHEREAS, Franchisor has developed and uses the name "IT'S BOBA TIME" and associated service marks, designs, and symbols in the design and appearance of its juice and snack bars (collectively referred to as the "Marks"), identifying the goodwill which Franchisor has developed in connection with the operation of "ITS BOBA TIME" Juice and Snack Bars by Franchisor and its franchisees (all of which is hereinafter referred to as the "System"); and

WHEREAS, Franchisor desires to preserve the Marks and the System, and has plans, where profitable, to increase the number of "ITS BOBA TIME" Juice and Snack Bars within the United States and elsewhere; and

WHEREAS, Franchisee desires to obtain and maintain the right to own and operate one or more "ITS BOBA TIME" Juice and Snack Bars and Franchisor desires to grant such right to Franchisee subject to the terms set forth below; and

WHEREAS, Franchisee's Manager has been hired by Franchisee to run the day-to-day activities of Franchisee's juice and snack bar and such Manager must therefore be bound by the same confidentiality and non-competition agreement that Franchisee is bound by.

IN CONSIDERATION of these premises, and the conditions stated herein, the parties agree as follows:

1. Purpose of Agreement. Franchisor is placing Franchisee in a position of trust and confidence in order to aid Franchisor in its development, marketing, sale and expansion of the System. As a precondition of the grant of the right to own and operate an "ITS BOBA TIME" Juice and Snack Bar, Franchisor desires to receive from Franchisee (i) an agreement not to disclose certain information relating to Franchisor's business, (ii) an agreement not to compete against Franchisor for a certain period of time, and (iii) an agreement concerning the ownership of certain information. This Agreement sets forth the terms of their agreements and understandings.

2. Franchisor Ownership of Materials. All information, ideas, research, methods, techniques, specifications, guidelines, secret recipes, manuals, procedures, systems, improvements, notes, data, tapes, reference items, financial information, literature, files, supplier lists, notebooks, calendars, sketches, drawings, memoranda, records and copyrighted and other materials, including Franchisor's Confidential Operating Manual, and the goodwill associated with them, which in any way relate to

Franchisor's past, present or potential business or which were prepared or received by Franchisee as a franchisee of Franchisor and a participant in the System (hereinafter collectively referred to as "Confidential Information") are the exclusive property of Franchisor. Franchisee agrees to deliver to Franchisor all copies of such materials including Franchisee's own personal work papers, which are in Franchisee's possession or under Franchisee's potential control at the request of Franchisor or, in the absence of such a request, upon the termination of that certain Franchise Agreement dated even date herewith between Franchisor and Franchisee (the "Franchise Agreement").

3. Confidential Information. Franchisee acknowledges that Franchisor's Confidential Information is a valuable and unique asset which Franchisee holds in trust for Franchisor's sole benefit. Franchisee agrees that Franchisee shall not, at any time during and for a period of fifty (50) years after Franchisee ceases to be a franchisee of Franchisor or a participant in the System, use for itself or for others, or disclose to any person, corporation or other entity for any reason, any of Franchisor's Confidential Information, without the prior written consent of Franchisor.

4. Trade Secrets. The Franchise acknowledges that Franchisor's Confidential Information and its methods and techniques of operation, and food preparation, merchandising, recipes, specifications, its financial condition, customer service, marketing and pricing strategies, as well as the information compiled and developed regarding improvements or enhancements to the System, including the Confidential Operating Manual, are uniquely valuable to Franchisor and have been developed through considerable expense and effort, and thus are not usually ascertainable by a competitor without considerable investment of effort and expense ("Trade Secrets").

In light of the need to protect and preserve the confidentiality of these Trade Secrets and in consideration of Franchisee's continued right to own and operate an "ITS BOBA TIME" Juice and Snack Bar, Franchisee agrees, at all times while a franchisee of Franchisor and for as long as Franchisor remains in business anywhere in the world, to respect the confidentiality of Franchisor's Trade Secrets, to use them solely for the benefit of Franchisor's business, and to refrain from disclosing or making available the Trade Secrets to any third party without the prior written consent of Franchisor. Franchisee further agrees to take all reasonable security measures to ensure that Franchisee's employees comply with this Agreement and such other security measures as are reasonably requested by Franchisor to prevent accidental disclosure.

5. Assignment of Inventions. All ideas, improvements, processes, names, menu items, and enhancements to the System or which relate to or are useful to Franchisor's business which Franchisee, alone or with others, may invent, discover, make or conceive ("Inventions") are the exclusive property of Franchisor, and Franchisee shall promptly and fully disclose them to Franchisor. At any time, at Franchisor's request and expense, Franchisee shall, without further compensation: (i) promptly record such Inventions with Franchisor; (ii) execute any assignments and other documents Franchisor deems desirable to protect its rights in the Inventions; and (iii) assist Franchisor in enforcing its rights with respect to these Inventions.

6. Restrictions on Unfair Competition. It is recognized by Franchisee that as the natural result of Franchisee's participation in the System as a franchisee of Franchisor, Franchisee will gain access to Franchisor's Trade Secrets and Confidential Information, and will gain the trust, confidence and respect of Franchisor's landlords, customers and suppliers. Franchisee acknowledges that Franchisor has a legitimate need to protect itself against unfair competition by its franchisees and their employees. Therefore, in consideration for Franchisee's participation in the System as a franchisee of Franchisor, Franchisee agrees that while it is a franchisee of Franchisor and for two (2) years after termination of the Franchise Agreement, regardless of the circumstances giving rise to the termination, or after Franchisee ceases to be a participant in the System, and within the Area of Minimum Competition as defined in Article XIV of the Franchise Agreement, Franchisee shall not:

(a) Have or acquire an interest in a similar business to that offered or developed by Franchisor which provides the same or substantially similar products as those sold, distributed, manufactured or furnished by Franchisor during the term of the Franchise Agreement. For purposes of this Agreement, "similar business" means a food service outlet that sells the same or substantially same products as are sold in a typical "ITS BOBA TIME" Juice and Snack Bar;

(b) Engage, directly or indirectly, on Franchisee's own behalf, or on behalf of any other person, firm, partnership or corporation, in providing, assisting, instructing or supervising the marketing, distribution or sale of the Products of any similar business to those offered and provided or manufactured by Franchisor as of the termination of this Agreement;

(c) Compete, directly or indirectly, with Franchisor in the offering, distribution or sale of products similar to the Products offered or provided or manufactured by Franchisor as of the termination of this Agreement. Prohibited competition under this subsection (c) may include, but is not limited to, the solicitation of, attempted solicitation, or other contacts with franchisees, landlords, suppliers and customers of Franchisor for the purpose of offering, providing or delivering Products or services similar to those offered and provided by Franchisor to the public; or the request, suggestion or advice to Franchisees, landlords, suppliers or customers, either directly or indirectly, to withdraw, curtail, limit or cancel their business with Franchisor; or to disclose, directly or indirectly, to any other person the names and addresses of franchisees, landlords, suppliers and customers of Franchisor; or the terms and conditions of Franchisor's contracts with suppliers of these Products;

(d) Hire or engage, or attempt to hire or engage, directly or indirectly, any individual who is an employee of Franchisor at the time of such solicitation, or was an employee during the calendar year immediately preceding Franchisee's termination as a participant in the System as a franchisee of Franchisor, whether such actions are undertaken on behalf of Franchisee or on behalf of another entity; or

(e) Otherwise take direct actions to disrupt the operations of Franchisor or interfere with Franchisor's performance of its contracts with third parties.

7. Enforcement.

(a) Injunction. Franchisee understands and agrees that Franchisor will suffer irreparable harm if Franchisee breaches any of Franchisee's obligations under this Agreement, and that monetary damages shall be inadequate to compensate Franchisor for any such violation. Accordingly, Franchisee agrees that in the event Franchisee violates or threatens to violate any of the provisions of this Agreement, Franchisor, in addition to all other remedies or damages which it may have, shall be entitled to seek an injunction to prevent or to restrain any such violation by Franchisee or by any or all of Franchisee's directors, stockholders, officers, partners, employees, agents or any other person directly or indirectly acting for, on behalf of or with Franchisee. Franchisee consents to the seeking of the injunction as being a reasonable measure to protect Franchisor's rights.

(b) Jurisdiction. Franchisee agrees that any lawsuit brought by Franchisor to enforce its rights under this Agreement shall be brought in the appropriate court located in the State of California, County of Los Angeles, and Franchisee agrees and consents to the jurisdiction of such court to resolve all disputes which arise out of this Agreement or any alleged breach thereof in a state court, regardless of Franchisee's residency at the time such suit is filed. Any lawsuit brought against Franchisor or its officers, directors or agents arising out of this Agreement, or any alleged breach thereof, must be brought within one (1) year of the event giving rise to the cause of action. The failure to commence such action by or on behalf of Franchisee within this time period shall serve to bar any rights Franchisee may have against Franchisor or its officers, directors and agents.

(c) Costs. Franchisee further agrees that if Franchisee acts in any manner which causes Franchisor to seek any form of judicial relief or remedy against Franchisee, and the court determines Franchisee has or is violating any of the provisions of this Agreement, Franchisor, in addition to its other remedies, shall be entitled to recover from Franchisee all costs incurred, including its attorneys' fees.

8. Reasonableness of Restrictions; Severability. Franchisee has read and considered carefully the provisions of Sections 1 through 7 of this Agreement, and agrees that the restrictions are fair and reasonably required for the protection of the interests of Franchisor, its business and its officers, directors and employees, even though no geographic limitation is included because of the national nature of the franchise business. Franchisee further agree that the restrictions set forth in this Agreement shall not impair Franchisee's ability to secure employment or acquire an interest in a business in another field of choice, other than the restricted field described in Section 6.

9. Miscellaneous.

(a) All agreements and covenants contained herein are severable. If any of them, or any part or parts of them, shall be held invalid by any court of competent jurisdiction for any reason, then Franchisee agrees that the court shall have the authority to reform and modify that provision in order that the restriction shall be the maximum necessary to protect Franchisor's legitimate business needs as permitted by applicable law and public policy. In so doing, Franchisee agrees that the court shall impose the provision with retroactive effect as close as possible to the provision held to be invalid. Further, Franchisee agrees that a breach or alleged breach by Franchisor of any obligation owed by Franchisor shall not affect the validity or enforceability of the provisions of this Agreement.

(b) This Agreement was entered into and shall be governed by the laws of the State of California.

(c) No delay or failure by Franchisor to exercise any right under this Agreement, and no partial or single exercise of that right, shall constitute a waiver of that or any other right provided herein, and no waiver of any violation of any terms and provisions of this Agreement shall be construed as a waiver of any succeeding violation of the same or any other provision of this Agreement.

(d) In the event that any provision of this Agreement, or a portion thereof, shall be held to be invalid or unenforceable, this ruling shall not affect in any manner the validity of the remaining provisions.

(e) The rights and obligations of Franchisor under this Agreement shall inure to the benefit of and shall be binding upon the parties hereto, as well as the affiliates of Franchisor and any future successors and assigns of Franchisor.

(f) No modification of this Agreement shall be valid unless it is in writing and signed by both Franchisee and an authorized representative of Franchisor. This Agreement contains the entire agreement between the parties and is expressly intended by Franchisee and Franchisor to supersede and replace any prior agreements on these issues between the parties.

(g) The Manager, if any, hereby executes this Agreement to evidence his/her or their consent to be bound by each and every provision.

IN WITNESS WHEREOF, Franchisor and Franchisee attest that each has read and understands the terms of this Agreement, and voluntarily signed this Agreement on this ____ day of _________, 20__.

FRANCHISOR:

BOBA TIME, INC.

By: ______________________________
Eunice Unmi Pak, President

FRANCHISEE:

____

By: ______________________________

BOBA TIME, INC.
FRANCHISE AGREEMENT

EXHIBIT "F"

TRANSFER OF FRANCHISE TO A CORPORATION

The undersigned, an Officer, Director and Owner of a majority of the issued and outstanding voting stock of the corporation set forth below and Franchisee of the Juice and Snack Bar under a Franchise Agreement executed on the date set forth below, between himself or herself and BOBA TIME, INC., as Franchisor, granting him/her a franchise to operate at the location set forth below, and the other undersigned Directors, Officers and Shareholders of the Corporation, who together with Franchisee constitute all of the Shareholders of the Corporation, in order to induce Franchisor to consent to the assignment of the Franchise Agreement to the Corporation in accordance with the provisions of Article XX of the Franchise Agreement, agree as follows:

1. The undersigned Franchisee shall remain personally liable in all respects under the Franchise Agreement and all the other undersigned Officers, Directors and Shareholders of the Corporation intending to be legally bound hereby, agree jointly and severally to be personally bound by the provisions of the Franchise Agreement including the restrictive covenants contained in Article XIV thereof, to the same extent as if each of them were Franchisee set forth in the Franchise Agreement and they jointly and severally personally guarantee all of Franchisee's obligations set forth in said Agreement.

2. The undersigned agree not to transfer any stock in the Corporation without the prior written approval of Franchisor and agree that all stock certificates representing shares in the Corporation shall bear the following legend:

> "The shares of stock represented by this certificate are subject to the terms and conditions set forth in a Franchise Agreement dated __________, 20__ between Franchisee and BOBA TIME, INC.".

3. Franchisee or his designee shall devote his best efforts to the day-to-day operation and development of the Juice and Snack Bar.

4. ____________________ hereby agrees to become a party to and to be bound by all of the provisions of the Franchise Agreement executed on the date set forth below between Franchisee and BOBA TIME, INC. to the same extent as if it were named as Franchisee herein.

Date of Franchise Agreement: ______________

Location of Juice and Snack Bar: ____

As to Paragraph 3:

____
[Name]

As to Paragraph 4:

____
[Name]

ATTEST:

____
Name of Corporation

____

By:______________________(SEAL)
Title:________________________

In consideration of the execution of the above Agreement, BOBA TIME, INC. hereby consents to the above referred to assignment on this __day of, 20__.

BOBA TIME, INC.

By: _________________________(SEAL)
Eunice Unmi Pak, President

BOBA TIME, INC.
FRANCHISE AGREEMENT

EXHIBIT "G"

TELEPHONE NUMBER ASSIGNMENT AGREEMENT AND POWER OF ATTORNEY

FOR VALUE RECEIVED, the undersigned ("Franchisee") irrevocably assigns the telephone listing and numbers stated below and any successor, changed or replacement number or numbers effective upon the date of termination of the Franchise Agreement described below to BOBA TIME, INC. upon the following terms:

1. This assignment is made under the terms of BOBA TIME, INC. Franchise Agreement dated __________, 20__ authorizing Franchisee to do business as "IT'S BOBA TIME" (the "Franchise Agreement") between Franchisor and Franchisee, which in part pertains to the telephone listing and numbers Franchisee uses in the operation of the Juice and Snack Bar covered by the Franchise Agreement.

2. Franchisee retains the limited right to use the telephone listing and numbers only for transactions and advertising under the Franchise Agreement while the Franchise Agreement between Franchisor and Franchisee remains in full force, but upon termination or expiration of the Franchise Agreement, Franchisee's limited right of use of the telephone listing and numbers also terminates. In this event, Franchisee agrees to immediately discontinue use of all listings and numbers. At Franchisor's request, Franchisee will immediately sign all documents, pay all monies, and take all other actions necessary to transfer the listing and numbers to Franchisor.

3. The telephone numbers and affiliated listings subject to this assignment are: (to be determined) and all numbers on the rotary series and all numbers Franchisee uses in the Juice and Snack Bar in the future.

4. Franchisee shall pay all amounts owed for the use of the telephone numbers and affiliated listing it incurs. On termination or expiration of the Franchise Agreement, Franchisee shall immediately pay all amounts owed for the listing and telephone numbers, whether or not due, including all sums owed under existing contracts for telephone directory advertising.

5. Franchisee appoints Franchisor as his/her attorney-in-fact to act in Franchisee's place for the purpose of assigning any telephone numbers covered by Paragraph 3 above to Franchisor or Franchisor's designees or transferees. Franchisee grants Franchisor full authority to act in any manner proper or necessary to exercise these powers, including full power of substitution and signing or completion of all documents required or requested by any telephone company to transfer the numbers, and ratifies every act that Franchisor lawfully performs in exercising those powers.

This power of attorney is effective for ten (10) years from the date of expiration, cancellation or termination of Franchisee's rights under the Franchise Agreement for any reason.

Franchisee intends that this power of attorney be coupled with an interest. Franchisee declares this power of attorney to be irrevocable and renounces all right to revoke it or to appoint another person to perform the acts referred to in this instrument. This power of attorney is not affected by Franchisee's later incapacity. This power is created to secure performance of a duty to Franchisor and is for consideration.

THE PARTIES have caused this Agreement to be duly signed as evidenced by their signatures appearing below. Persons signing this Agreement must check the appropriate space and sign in the appropriate place provided.

FRANCHISEE: EACH OF THE BELOW PERSONS AGREES TO BE BOUND BY THE PROVISIONS OF THIS AGREEMENT, IN BOTH INDIVIDUAL AND REPRESENTATIVE CAPACITIES.

Signed the _____ day of __________, 20__

Franchisee

By:______________________________

FRANCHISOR:

Signed and accepted as of the ____ day of __________, 20__

BOBA TIME, INC.

By: ______________________________

Eunice Unmi Pak, President

BOBA TIME, INC.

FRANCHISE AGREEMENT

EXHIBIT "H"

AUTHORIZATION TO HONOR CHECKS DRAWN BY AND PAYABLE TO BOBA TIME, INC.

1. Bank account in the name of:	2. Store #:	3. Bank account number:

To The Bank Designated:

You are hereby requested and authorized to honor and to charge to the account described checks drawn on such account which are payable to the above named Payee. The name(s) of the depositor(s) on such checks will be printed by standard business machines. It is agreed that your rights with respect to each such check shall be the same as if it bore a signature authorized for such account. It is further agreed that if any such check is not honored, whether with or without cause you shall be under no liability whatsoever. This authorization shall continue in force until revocation in writing is received by you.

4. Date: ________________________ 5. Name of Franchisee (please print)

____

Type of Business: ____________________
Executed by: ________________________
Title:

6. Full name of bank:	
7. Street address:	
8. City, state & zip code:	

Indemnification Agreement

To The Bank Designated:

In consideration of your compliance with the request and authorization printed on the Authorization Form hereof, the Payee agrees with respect to any such action:

(1) To indemnify you and hold you harmless from any loss you may suffer as a consequence of your actions resulting from or in connection with the execution and issuance of any check, draft or order, whether or not genuine, purporting to be executed by the Payee and received by you in the regular course of business for the purpose of payment, including any costs or expenses reasonably incurred in connection therewith.

(2) To indemnify you for any loss arising in the event that any such check, draft or order shall be dishonored, whether with or without cause and whether intentionally or inadvertently.

(3) To defend at our own cost and expense any action which might be brought by any depositor or any other persons because of your actions taken pursuant to the foregoing request, or in any manner arising by reason of your participation.

NOTICE TO FRANCHISEE: 1. ATTACH ONE VOIDED CHECK HERE.
2. BE SURE ALL NUMBERED SPACES SHOWN ABOVE ARE COMPLETED.
3. RETURN ALL THREE COPIES IMMEDIATELY.

BOBA TIME, INC.

FRANCHISE AGREEMENT

EXHIBIT "I"

FRANCHISEE COMPLIANCE CERTIFICATION

As you know, BOBA TIME, INC. (the Franchisor) and you are preparing to enter into a Franchise Agreement for the establishment and operation of an IT'S BOBA TIME. The purpose of this Questionnaire is to determine whether any statements or promises were made to you by employees or authorized representatives of Franchisor that have not been authorized or that may be untrue, inaccurate or misleading.

In the event that you are intending to purchase an existing IT'S BOBA TIME from an existing Franchisee, you may have received information from the transferring Franchisee, who are not employees or representatives of Franchisor. The questions below do not apply to any communications that you had with the transferring Franchisee. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. Are you seeking to enter into the Franchise Agreement in connection with a purchase or transfer of an existing IT'S BOBA TIME from an existing Franchisee?

Yes _____ No _____

2. I had my first face-to-face meeting with a Franchisor representative on _______________, 20___.

3. Have you received and personally reviewed the Franchise Agreement and each Addendum and related agreement attached to it?

Yes _____ No _____

4. Do you understand all of the information contained in the Franchise Agreement, each Addendum and related agreement provided to you?

Yes _____ No _____

If no, what parts of the Franchise Agreement, any Addendum, and/or related agreement do you not understand? (Attach additional pages, if necessary.)

5. Have you received and personally reviewed the Franchisor's Franchise Disclosure Document (FDD) that was provided to you?

Yes _____ No _____

6. Did you sign a receipt for the FDD indicating the date you received it?

Yes _____ No _____

7. Do you understand all of the information contained in the FDD and any state-specific Addendum to the FDD?

Yes _____ No _____

If No, what parts of the FDD and/or Addendum do you not understand? (Attach additional pages, if necessary.)

____
____
____
____
____

8. Have you discussed the benefits and risks of establishing and operating an IT'S BOBA TIME with an attorney, accountant, or other professional advisor?

Yes _____ No _____

If No, do you wish to have more time to do so?

Yes _____ No _____

9. Do you understand that the success or failure of your IT'S BOBA TIME will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms and other economic and business factors?

Yes _____ No _____

10. Has any employee of BOBA TIME, INC. or other person speaking on behalf of the Franchisor made any statement or promise concerning the revenues, project cost, project cost, profits or operating costs of an IT'S BOBA TIME operated by the Franchisor or its Franchisees that is contrary to the information contained in the FDD?

Yes _____ No _____

11. Has any employee of BOBA TIME, INC. or other person speaking on behalf of the Franchisor made any statement or promise regarding the amount of money you may earn in operating the franchised business that is contrary to the information contained in the FDD?

Yes _____ No _____

12. Has any employee of BOBA TIME, INC. or other person speaking on behalf of the Franchisor made any statement or promise concerning the total amount of revenue the IT'S BOBA TIME will generate, that is contrary to the information contained in the FDD?

Yes _____ No _____

13. Has any employee of BOBA TIME, INC. or other person speaking on behalf of the Franchisor made any statement or promise regarding the costs you may incur in operating the IT'S BOBA TIME that is contrary to or different from, the information contained in the FDD?

Yes _____ No _____

14. Has any employee of BOBA TIME, INC. or other person speaking on behalf of the Franchisor made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating an IT'S BOBA TIME?

Yes _____ No _____

15. Has any employee of BOBA TIME, INC. or other person speaking on behalf of the Franchisor made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that the Franchisor will furnish to you that is contrary to, or different from, the information contained in the FDD?

Yes _____ No _____

16. Have you entered into any binding agreement with the Franchisor concerning the purchase of this franchise prior to today?

Yes _____ No _____

17. Have you paid any money to the Franchisor concerning the purchase of this franchise prior to today?

Yes _____ No _____

If you have answered Yes to any one of questions 10-17, please provide a full explanation of each Yes answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered No to each of questions 10-17, please leave the following lines blank.

____
____
____
____
____

I signed the Franchise Agreement and Addenda (if any) on _______________, 20___, and acknowledge that no Agreement or Addendum is effective until signed and dated by the Franchisor.

Please understand that your responses to these questions are important to us and that we will rely on them. By signing this Questionnaire, you are representing that you have responded truthfully to the above questions.

FRANCHISEE APPLICANT DATE:

______________________________ ______________________________

EXHIBIT D

AREA DEVELOPMENT AGREEMENT AND EXHIBITS

BOBA TIME, INC.

AREA DEVELOPMENT AGREEMENT

BOBA TIME, INC.

AREA DEVELOPMENT AGREEMENT

TABLE OF CONTENTS

BOBA TIME, INC.

AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT ("Agreement") is made and entered into the day of __________, 20__, between BOBA TIME, INC., a California corporation whose principal address is 701 S. Vermont Ave., Los Angeles, CA 90005 (hereinafter the "Franchisor" or the "Company"), and ____ whose principal address is ____ (hereinafter "Area Developer").

WITNESETH:

WHEREAS, the Company has developed a business plan and method in connection with the operation of IT'S BOBA TIME Juice and Snack Bars featuring a specialized menu, selling and serving freshly-prepared fruit-based beverages, snacks and other food items ("Menu Items" or "Products") and provide carry-out, delivery (at certain locations), and on-premises dining services. Franchisor's Juice and Snack Bars are operated under certain trademarks, service marks, logos and other commercial symbols, including without limitation "IT'S BOBA TIME" ("Marks") which are owned by Franchisor, and pursuant to certain confidential information and trade secrets. Such Juice and Snack Bars are operated with uniform formats, designs, systems, methods, specifications, standards and procedures, all of which may be improved, further developed or otherwise modified from time to time by Franchisor ("System").

WHEREAS, the distinguishing characteristics of the System include, but are not limited to, the Marks, uniform formats, designs, systems, methods, specifications, standards and procedures, all of which may be improved, further developed or otherwise modified from time to time by Franchisor; and

WHEREAS, the reputation and goodwill with the public with respect to the quality of products and services available at IT'S BOBA TIME Juice and Snack Bars have been and continue to be of major benefit to Franchisor and its franchisees; and

WHEREAS, Area Developer recognizes the benefits to be derived from being identified with and being an area developer of IT'S BOBA TIME Juice and Snack Bars and being able to utilize the System and the Marks which Franchisor makes available to its Area Developers; and

WHEREAS, Area Developer wishes to obtain certain development rights to open and operate Juice and Snack Bars operating under the Marks under the System within the territory described in this Area Development Agreement.

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other party set forth herein, hereby agree as follows:

SECTION I
GRANT

1.1 Franchisor hereby grants to Area Developer, pursuant to the terms and conditions of this Area Development Agreement, certain development rights ("Development Rights") to establish and operate ______ ( ) franchised Juice and Snack Bars, and to use the System solely in connection therewith, at specific locations to be designated in separate Franchise Agreements executed as provided in Section 3.1 hereof, and pursuant to the schedule set forth in Exhibit "A" of this Agreement (hereinafter

"Minimum Performance Schedule"). Each Juice and Snack Bar developed hereunder shall be located in the area described in Exhibit "B" of this Agreement (hereinafter "Development Area").

1.2 Each Juice and Snack Bar for which an Area Development Right is granted hereunder shall be established and operated pursuant to a Franchise Agreement to be entered into between Area Developer and Franchisor in accordance with Section 3.1 hereof.

1.3 Except as otherwise provided in this Agreement, FRANCHISOR shall not establish, nor franchise anyone other than Area Developer to establish, a Juice and Snack Bar in the Development Area during the term of this Agreement, provided Area Developer is not in default hereunder.

1.4 This Agreement is not a Franchise Agreement and does not grant to Area Developer any right to use the Marks or System.

1.5 Area Developer shall have no right under this Agreement to franchise others under the Marks or System.

SECTION II
DEVELOPMENT FEE

In consideration of the development rights granted herein, Area Developer shall pay to Franchisor a Development Fee of Thirty-Five Thousand Dollars ($35,000) ("Development Fee") for the first Juice and Snack Bar, plus Twelve Thousand Five Hundred Dollars ($12,500) for each additional Juice and Snack Bar to be developed.

The Development Fee shall be fully earned by Franchisor upon execution of this Agreement, and shall be for administrative and other expenses incurred by Franchisor and for the development opportunities lost or deferred as a result of the Development Rights granted Area Developer herein.

SECTION III
SCHEDULE AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS

3.1 In the event Area Developer finds a location for a Juice and Snack Bar without the assistance of Franchisor, then in such event, Area Developer shall submit to Franchisor for its evaluation and approval, in the form specified by Franchisor, a description of the site, the terms of the lease or purchase, a market feasibility study for the site and such other information and materials as Franchisor may reasonably require, together with a letter of intent or other evidence satisfactory to Franchisor, which confirms Area Developer's favorable prospects for obtaining the site. Franchisor shall have fifteen (15) business days after receipt of such information and materials from Area Developer to approve or disapprove the site in its sole discretion. In the event Franchisor does not disapprove the site by submitting written notice to Area Developer within fifteen (15) days, such site will be deemed approved by Franchisor. The Area Developer will then be presented with the then-current Franchise Agreement for execution.

3.2 Recognizing that time is of the essence, Area Developer agrees to exercise each of the Development Rights granted hereunder in the manner specified herein, and to satisfy the Minimum Performance Schedule in a timely manner. Failure by Area Developer to adhere to the Minimum Performance Schedule shall constitute a default under this Agreement as provided in Section 9.1 hereof.

3.3 Area Developer shall exercise each Area Development Right granted herein only by executing a Franchise Agreement for each Juice and Snack Bar at a site approved by Franchisor in the

Development Area as hereinafter provided within ten (10) days after receipt of said Franchise Agreement from Franchisor for the approved site and return same to Franchisor for its execution. The Franchise Agreement for the first Area Development Right exercised hereunder shall be the then-current form of Franchise Agreement. The Franchise Agreement for each additional Area Development Right exercised hereunder shall be the then-current Franchise Agreement, except that the Royalty and Advertising Fees shall not increase and shall be the same as set forth in the first Franchise Agreement executed, subject to any non-material changes therein which are required to be made by changes in any applicable law, regulation or ordinance in effect from time to time. In the event Franchisor does not receive the properly executed Franchise Agreement with the appropriate number of copies within said ten (10) days from delivery thereof to Area Developer, Franchisor's approval of the site shall be void and Area Developer shall have no rights with respect to said site. The Initial Franchise Fees to be paid by Area Developer shall be Thirty-Five Thousand Dollars ($35,000) per Juice and Snack Bar for the first Juice and Snack Bar and Twenty-Five Thousand Dollars ($25,000) for any subsequent Juice and Snack Bars to be developed. The Initial Franchise Fee for the first Juice and Snack Bar has been paid in full in the Development Fee; the balance of the Initial Franchise Fee for each additional Juice and Snack Bar to be developed, or Twelve Thousand Five Hundred Dollars ($12,500), shall be paid by Area Developer on the earlier of (i) the date a lease or purchase agreement for the Juice and Snack Bar is executed or (ii) ninety (90) days prior to the scheduled opening date for said Juice and Snack Bar, whichever date is earlier.

3.4 Area Developer acknowledges that the approval of a particular site for a Juice and Snack Bar by Franchisor shall not be deemed to be an assurance or guaranty that the Juice and Snack Bar will operate successfully or at a profit from such site.

3.5 Area Developer shall be required to execute each Franchise Agreement and own a minimum of fifty-one percent (51%) of the issued and outstanding stock for each Juice and Snack Bar to be opened pursuant to said Franchise Agreement. In no event shall Area Developer relinquish control over each entity operating each Juice and Snack Bar.

SECTION IV
DEVELOPMENT RIGHTS AND OBLIGATIONS

4.1 Subject to the provisions of this Agreement, Franchisor grants to Area Developer the right to develop Juice and Snack Bars within the Development Area ("Development Rights").

4.2 Provided Area Developer is in full compliance with all the terms and conditions of this Agreement, including without limitation Area Developer's development obligations described in Section 3.2, and Area Developer is in full compliance with all of its obligations under all franchise agreements executed pursuant to this Agreement, then during the term of this Agreement neither Franchisor nor any of its affiliates will develop or operate or grant franchises for the development or operation of Juice and Snack Bars within the Development Area, except the franchises that are granted to Area Developer pursuant to this Agreement and except as otherwise expressly provided in this Agreement.

4.3 Upon the termination or expiration of this Agreement, Franchisor and its affiliates shall have the right to develop and operate, and to grant to others development rights and franchises to develop and operate, Juice and Snack Bars within the Development Area subject only to the territorial rights granted to Area Developer with respect to Juice and Snack Bars operated by Area Developer pursuant to the Franchise Agreements.

4.4 Except as expressly limited by Section 3.2 above, Franchisor and its affiliates retain all rights with respect to Juice and Snack Bars, the Marks and the sale of any goods and services, anywhere in the world, including, without limitation, the right:

4.4.1 to produce, offer and sell and to grant others the right to produce, offer and sell the products and any other goods and services through similar or dissimilar channels of distribution both within and outside the Development Area under trade and service marks other than the Marks and under any terms and conditions Franchisor deems appropriate;

4.4.2 to produce, offer and sell and grant others the right to produce, offer and sell the Products and any other goods and services through dissimilar channels of distribution both within and outside the Development Area under the Marks and under any terms and conditions Franchisor deems appropriate;

4.4.3 to operate and to grant others the right to operate Juice and Snack Bars located outside the Development Area under any terms and conditions Franchisor deems appropriate and regardless of proximity to a Juice and Snack Bar; and

4.4.4 subject to Area Developer's option to purchase set forth in Section 4.5, to acquire and operate a business operating one or more Juice and Snack Bars or food service businesses located or operating in the Development Area.

4.5 If during the term of this Agreement, Franchisor acquires the shares or assets of a business operating one or more Juice and Snack Bars or other food service businesses ("Acquired Juice and Snack Bars") and after the acquisition Franchisor owns one or more of such Acquired Juice and Snack Bars located in the Development Area which Franchisor intends to operate as a Juice and Snack Bar or as a Competitive Business (the "Optioned Juice and Snack Bars"), Franchisor agrees to offer to sell those Optioned Juice and Snack Bars to Area Developer pursuant to a Franchise Agreement. The price to be paid by Area Developer for an Optioned Juice and Snack Bar pursuant to this Section shall be the price paid by Franchisor to acquire the Optioned Juice and Snack Bar including that portion of the direct and indirect costs and liabilities incurred or assumed by Franchisor in making such acquisition allocated to the Optioned Juice and Snack Bars whether paid or owed to the seller of such Optioned Juice and Snack Bars, Franchisor, its affiliates or third parties and other expenses and losses allocated to such Optioned Juice and Snack Bar plus interest, provided that (a) such sale will not conflict with any existing legal obligation of Franchisor or the business being acquired; (b) such sale will not preclude the completion of the acquisition on the terms agreed to by Franchisor; (c) such sale will not interfere with any other legal agreement, arrangement or combination; and (d) Area Developer executes at the closing of the acquisition Franchisor's then-current Franchise Agreement for each and every such Optioned Juice and Snack Bar and converts each such Optioned Juice and Snack Bar to a Juice and Snack Bar as soon as practicable thereafter in accordance with Franchisor's standards and specifications. Area Developer shall have thirty (30) days in which to accept or reject such offer.

In the event Area Developer rejects or fails to timely accept Franchisor's offer to sell the Optioned Juice and Snack Bars offered to Area Developer pursuant to this Section, or Franchisor is unable to extend such offer for any of the aforementioned reasons, Franchisor may incorporate and use certain elements of the System at the Optioned Juice and Snack Bars but agrees that so long as Area Developer is in full compliance with this Agreement and Area Developer is in compliance with all Franchise Agreements, it will neither use nor authorize the use of any of the Marks at such Optioned Juice and Snack Bars located in the Development Area (whether owned or franchised by Franchisor) for two (2) years following Franchisor's acquisition or during the remaining term of this Agreement, whichever is less. For purposes of this Paragraph, all references to Franchisor shall be deemed to include its affiliates.

SECTION V
RENEWAL

This Agreement shall not be subject to renewal.

SECTION VI
TERM

Unless sooner terminated in accordance with the terms of this Agreement, the term of this Agreement and all Development Rights granted hereunder shall expire on the date the last Juice and Snack Bar is opened pursuant to the Minimum Performance Schedule set forth in Exhibit "A".

SECTION VII
OBLIGATIONS OF AREA DEVELOPER

7.1 Area Developer acknowledges and agrees that:

7.1.1 Except as otherwise provided herein, this Agreement includes only the right to select sites for the establishment of Juice and Snack Bars and to submit the same to Franchisor for its approval in accordance with the terms of this Agreement. This Agreement does not include the grant of a license by Franchisor to Area Developer of any rights to use the Marks, the System, or to open or operate any Juice and Snack Bars within the Development Area. Area Developer shall obtain the license to use such additional rights at each Juice and Snack Bar upon the execution of each Franchise Agreement by both Area Developer and Franchisor and only in accordance with the terms of each Franchise Agreement.

7.1.2 The Development Rights granted hereunder are personal to Area Developer and cannot be sold, assigned, transferred or encumbered, in whole or in part, except as set forth in Section XI hereof.

7.1.3 Except as provided in Sections 7.1.1 and 7.1.2 hereof, the Development Rights granted hereunder are non-exclusive, and Franchisor retains the right, in its sole discretion:

(a) To continue to construct and operate other Juice and Snack Bars and to use the System and the Marks at any location outside the Development Area, and to license others to do so.

(b) To develop, use and franchise the rights to any trade names, trademarks, service marks, trade symbols, emblems, signs, slogans, insignia, or copyrights not designated by Franchisor as Marks for use with different franchise systems for the sale of the different products or services not in connection with the System at any location, on such terms and conditions as Franchisor may deem advisable and without granting Area Developer any rights therein.

(c) To develop, merchandise, sell and license others to sell any of Franchisor's products, proprietary or otherwise, presently existing or to be developed in the future, to the public through supermarkets, groceries and other non-juice and snack bar outlets outside of the Development Area and to use the Marks in connection therewith.

(d) To promote or conduct special events within the Development Area, provided, however, that the opportunity to conduct each special event shall first be offered to Area Developer in accordance with the terms of any valid and effective Franchise Agreement.

7.1.4 Area Developer has sole responsibility for the performance of all obligations arising out of the operation of his business pursuant to this Agreement, including, but not limited to, the payment when due of any and all taxes levied or assessed by reason of such operation.

7.1.5 In all public records, in its relationship with other persons, and in any documents, Area Developer shall indicate clearly the independent ownership of Area Developer's business and that the operations of said business are separate and distinct from the operation of the Company business.

7.1.6 Area Developer shall at all times preserve in confidence any and all materials and information furnished or disclosed to Area Developer by Franchisor and Area Developer shall disclose such information or materials only to such of the Area Developer's employees or agents who must have access to it in connection with their employment. Area Developer shall not at any time, without Franchisor's prior written consent, copy, duplicate, record or otherwise reproduce such materials or information, in whole or in part, nor otherwise make the same available to any unauthorized person.

7.1.7 Area Developer shall comply with all requirements of federal, state and local laws, rules and regulations.

7.1.8 Area Developer shall at no time have the right to sub-franchise any of its Development Rights hereunder.

SECTION VIII
SERVICES OF FRANCHISOR

IT'S BOBA TIME shall, at its expense, provide the following services:

8.1 Review the Area Developer's site selection for conformity to Franchisor's standards and criteria for selection and acquisition of sites upon Franchisor's receipt of Area Developer's written request for approval thereof.

8.2 Provide Area Developer with standard specifications and layouts for the layout, interior and exterior design, improvements, equipment, furnishings, decor and signs identified with the Juice and Snack Bars as Franchisor makes available to all area developers and franchisees from time to time.

8.3 Review of the Area Developer's site plan and final build-out plans and specifications for conformity to the construction standards and specifications of the System, upon Franchisor's receipt of Area Developer's written request for approval thereof.

8.4 Conduct such on-site evaluation as Franchisor may, in its sole discretion, deem advisable as part of its evaluation of Area Developer's request for site approval, provided however, that Franchisor shall not be required to provide such on-site evaluation for any proposed site prior to Franchisor's receipt of a description of such proposed site and a letter of intent (subject to Company's approval) or other evidence satisfactory to Franchisor, which confirms Area Developer's favorable prospects for obtaining the proposed site. If deemed appropriate and if the site requires inspection, Franchisor may conduct one (1) on-site inspection.

8.5 Provide such other resources and assistance as may hereafter be developed and offered by Franchisor to its other area developers.

SECTION IX
DEFAULT AND TERMINATION

9.1 The occurrence of any of the following events of default shall constitute good cause for Franchisor, at its option and without prejudice to any other rights or remedies provided for hereunder or by law or equity, to terminate this Agreement:

9.1.1 If Area Developer shall, in any respect, fail to meet the Minimum Performance Schedule.

9.1.2 If Area Developer shall use the System or Marks, or any other names, marks, systems, insignia, symbols or rights which are the property of Franchisor except pursuant to, and in accordance with, a valid and effective Franchise Agreement.

9.1.3 If Area Developer, or persons controlling, controlled by or under common control with Area Developer, shall have any interest, direct or indirect, in the ownership or operation of any store engaged in the sale of products similar to those permitted to be sold by Area Developer within the Development Area or in any juice and snack bar which looks like, copies or imitates the Juice and Snack Bar or operates in a manner tending to have such effect other than pursuant to a valid and effective Franchise Agreement.

9.1.4 If Area Developer shall fail to remit to Franchisor any payments due under this Agreement.

9.1.5 If Area Developer shall begin work upon any Juice and Snack Bar at any site unless all the conditions set forth in Section III hereof have been met.

9.1.6 If Area Developer shall purport to effect any assignment other than in accordance with Section XI hereof.

9.1.7 Except as provided in Section XI hereof, if Area Developer attempts to sell, assign, transfer or encumber this Agreement without Franchisor's prior written approval.

9.1.8 If Area Developer makes, or has made, any material misrepresentation to Franchisor in connection with obtaining this Area Development Agreement, any site approval hereunder, or any Franchise Agreement.

9.1.9 If Area Developer fails to obtain Franchisor's prior written approval or consent, including but not limited to site approval or site plan approval, as expressly required by this Agreement.

9.1.10 If Area Developer defaults in the performance of any other obligation under this Agreement.

9.1.11 If Area Developer defaults in the performance of any obligation under any Franchise Agreement with Franchisor provided such default results in the termination of the Franchise Agreement.

9.1.12 If Area Developer suffers a violation of any law, ordinance, rule or regulation of a governmental agency in connection with the operation of the Juice and Snack Bar, and permits the same to go uncorrected after notification thereof, unless there is a bona fide dispute as to the violation or legality of such law, ordinance, rule or regulation, and Area Developer promptly resorts to courts or forums of appropriate jurisdiction to contest such violation or legality.

9.1.13 If Area Developer or a shareholder of Area Developer owning twenty-five percent (25%) or more of Area Developer's voting stock is convicted in a court of competent jurisdiction of an indictable offense punishable by a term of imprisonment in excess of one (1) year.

9.1.14 If Area Developer, or any person controlling, controlled by or under common control with Area Developer, shall become insolvent by reason of inability to pay their debts as they mature; shall be adjudicated a bankrupt; shall file or have filed against any of them a petition in bankruptcy, reorganization or similar proceeding under the bankruptcy laws of the United States; or if a receiver, permanent or temporary, of the business, assets or property of Area Developer or any such person, or any part thereof, is appointed by a court of competent authority; or if Area Developer or any such person requests the appointment of a receiver or makes a general assignment for the benefit of creditors or if a final judgment against Area Developer or any such person in the amount of Ten Thousand Dollars ($10,000) or more remains unsatisfied or record for sixty (60) days or longer; or if the bank accounts, property or receivables of Area Developer or any such person are attached and such attachment proceedings are not dismissed within a sixty (60) day period; or if execution is levied against the business or property of Area Developer or any such person or suit to foreclose any lien or mortgage against any of the Juice and Snack Bars, the premises thereof or equipment thereon is instituted and not dismissed within thirty (30) days.

9.2 Upon occurrence of any of the events set forth in Section 9.1, Franchisor may, without prejudice to any other rights or remedies contained in this Agreement or provided by law or equity, terminate this Agreement. Such termination shall be effective thirty (30) days after written notice (or such other notice as may be required by applicable state law) is given by Franchisor to Area Developer of any of the events set forth in this Section IX, if such defaults are not cured within such period. However, termination shall be effective immediately, without notice and without the necessity of further action by Franchisor, upon occurrence of any of the events specified in this Section IX, except where prohibited by any applicable state or federal law, whereupon this Agreement shall be terminated in accordance with the provisions of any such law.

SECTION X
AREA DEVELOPER'S OBLIGATIONS FOLLOWING TERMINATION

10.1 Upon termination of this Agreement becoming effective for any reason, or upon expiration of the term hereof, Area Developer agrees as follows:

10.1.1 To cease immediately any attempts to select sites on which to establish Juice and Snack Bars.

10.1.2 To cease immediately to hold itself out in any way as an Area Developer of Franchisor or to do anything which would indicate a relationship between it and Franchisor.

10.2 Termination of this Agreement shall not affect the rights of Area Developer to operate Juice and Snack Bars in accordance with the terms of any Franchise Agreement with Franchisor, executed prior to the termination of this Agreement, until and unless such Franchise Agreement, or any of them, are terminated in accordance with their terms, renewed or expired.

10.3 No right or remedy herein conferred upon or reserved to Franchisor is exclusive of any other right or remedy provided or permitted by law or in equity.

SECTION XI
TRANSFER OF INTEREST

11.1 This Agreement is personal to Area Developer and Area Developer shall neither sell, assign, transfer nor encumber this Agreement, the Development Rights, or any other interest hereunder, nor suffer or permit any such assignment, transfer or encumbrance to occur directly, indirectly or contingently by agreement or by operation of law without the prior written consent of Franchisor. Area Developer understands that this Agreement may not be pledged, mortgaged, hypothecated, given as security for an obligation or in any manner encumbered. The assignment or transfer of any interest, except in accordance with this Paragraph shall constitute a material breach of this Agreement.

11.2 In the event that Area Developer is a corporation or desires to conduct business in a corporate capacity, said corporation or assignment to a corporation must receive the prior written approval of Franchisor and Area Developer agrees to comply with the provisions hereinafter specified, including without limitation restrictions on the number of shareholders of the corporation or assignee corporation and, where appropriate in Franchisor's discretion, personal guarantees by all of the shareholders, officers, directors, managers, members, principals, other control persons, or beneficial owners of all of the obligations of said corporation or assignee corporation to Franchisor and other parties designated by Franchisor. The corporation or assignee corporation shall not engage in any business activities other than those directly related to the operation of the Juice and Snack Bar(s) pursuant to the terms and conditions of the Franchise Agreements with Franchisor, and all assets related to the operation of the Juice and Snack Bar(s) shall be held by the corporation or assignee corporation. There shall be no transfer fee charged by Franchisor if such assignment to a corporation is made within ninety (90) days after the execution of this Agreement.

The references in Sections 11.2, 11.3 and 11.4 herein to "Corporation," "assignee corporation," "stock," "by-laws," "shareholders," etc., shall be deemed to include and permit similar transfers to other business entities such as a limited liability company, limited partnership or business trust, as applicable, in which case the language of such entity shall be understood (e.g. in the case of a limited liability company ("LLC" or "Company," "members," "membership interests," "operating agreement," etc.), unless the context would not so permit such substitution.

11.3 If Area Developer is a corporation or if Area Developer's rights hereunder are assigned to a corporation, the Area Developer, or those individuals disclosed on Exhibit "B" attached hereto shall be the legal and beneficial owner of not less than fifty-one percent (51%) of the outstanding stock of said corporation and shall act as such corporation's principal officer. The assignment to a corporation will not relieve Area Developer of personal liability to Franchisor for performance of any of the obligations under this Agreement. Any subsequent transfer of voting rights of the stock of the corporation or assignee corporation, and any transfer or issuance of shares of the corporation or assignee corporation shall be subject to Franchisor's prior written approval. Franchisor agrees that it will not unreasonably restrict the issuance or transfer of shares of stock, provided that Area Developer complies with the provisions of this Section XI, and provided that in no event shall any share of stock of such corporation or assignee corporation be sold, transferred or assigned to a business competitor of Franchisor. The articles of incorporation and by-laws of the corporation or assignee corporation shall reflect that the issuance and transfer of shares of stock are restricted, and all stock certificates shall bear the following legend, which shall be printed legibly and conspicuously on each stock certificate:

> **"The transfer of this stock is subject to the terms and conditions of an Area Development Agreement with BOBA TIME, INC., dated __________. Reference is made to said Area Development**

Agreement and related Franchise Agreements and to restrictive provisions of the charter and by-laws of this corporation."

11.4 The corporation or assignee corporation's corporate records shall indicate that a stop transfer order shall be in effect against the transfer of any stock, except for transfers permitted by this Section XI. In addition to the foregoing, the stock of such corporation or assignee corporation shall not be publicly sold or traded without the prior express written consent of Franchisor, which shall be given at the sole discretion of Franchisor. In the event that Franchisor approves a public offering of Area Developer, Area Developer shall present the offering circular or prospectus to Franchisor for its review within a reasonable time prior to such offering becoming effective. In no event shall Area Developer offer its securities by use of the name "IT'S BOBA TIME" or any name deceptively similar thereto, however, Area Developer may make appropriate reference to the fact the Area Developer has a Development Agreement with Franchisor; nor shall Area Developer relinquish control of the new public company. Area Developer agrees to indemnify and hold Franchisor harmless from and against any claims, suits, actions or otherwise which arise out of or from such public offering.

11.5 In the event of the death, disability or permanent incapacity of Area Developer, Franchisor shall consent to the transfer of all of the interest of Area Developer to Area Developer's spouse, heirs or relatives, by blood or marriage, or if this Agreement was originally executed by more than one party, then to the remaining party who originally executed this Agreement, whether such transfer is made by Area Developer's Last Will and Testament or by operation of law, provided that the requirements of Section X hereof have been met. In the event that Area Developer's heirs do not obtain the consent of Franchisor as prescribed herein, the personal representative of Area Developer shall have a reasonable time to dispose of Area Developer's interest hereunder, which disposition shall be subject to all the terms and conditions for transfers under this Agreement.

11.6 Area Developer has represented to Franchisor that he is entering into this Area Development Agreement with the intention of complying with its terms and conditions and not for the purpose of resale of the Development Rights hereunder. Therefore, Area Developer agrees that any attempt to assign this Agreement, without Franchisor's prior written approval except pursuant to Sections 11.2 and 11.3 hereof, shall be deemed to be an event of default.

11.7 If Area Developer receives from a third person and desires to accept a bona fide written offer to purchase its business, Development Rights and interests, Franchisor shall have the option, exercisable within thirty (30) days after receipt of written notice setting forth the name and address of the prospective purchaser, the price and terms of such offer, and a copy of such offer and the other information set forth in this Section 11.7, to purchase such business, Development Rights and interests, including Area Developer's right to develop sites within the Development Area, on the same terms and conditions as offered by said third party. In order that Franchisor may have information sufficient to enable it to determine whether to exercise its option, Franchisor may require Area Developer to deliver to Franchisor certified financial statements as of the end of Area Developer's most recent fiscal year and such other information about the business and operations of Area Developer as Franchisor may request. If Franchisor declines, or does not accept the offer in writing within thirty (30) days, Area Developer may, within thirty (30) days from the expiration of the option period, sell, assign and transfer its business, Development Rights and interest to said third party, provided Franchisor has consented to such transfer as required by this Section XI. Any material change in the terms of the offer prior to closing of the sale to such third party shall constitute a new offer, subject to the same rights of first refusal by Franchisor or its nominee, as in the case of an initial offer. Failure by Franchisor to exercise the option afforded by this Section 11.7 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section with respect to the proposed transfer.

11.8 Area Developer acknowledges and agrees that the restrictions on transfer imposed herein are reasonable and are necessary to protect the Development Rights, and the System and the Marks, as well as Franchisor's reputation and image, and are for the protection of Franchisor, Area Developer and other Area Developers. Any assignment or transfer permitted by this Section XI shall not be effective until Franchisor receives a completely executed copy of all transfer documents, and Franchisor consents in writing thereto.

11.9 Franchisor agrees not to unreasonably withhold its consent to a sale, assignment or transfer by Area Developer hereunder. Consent to such transfer otherwise permitted or permissible as reasonable may be refused unless:

11.9.1 All obligations of the Area Developer created by this Agreement, all other franchise documents, including all Franchise Agreements, and the relationship created hereunder are assumed by the transferee.

11.9.2 All ascertained or liquidated debts of Area Developer to Franchisor or its affiliated or subsidiary corporations are paid.

11.9.3 Area Developer is not in default hereunder.

11.9.4 Franchisor is reasonably satisfied that the transferee meets all of the requirements of Franchisor for new area developers, including but not limited to, good reputation and character, business acumen, operational ability, management skills, financial strength and other business considerations.

11.9.5 Transferee executes or, in appropriate circumstances, causes all necessary parties to execute, Franchisor's standard form of Area Development Agreement, Franchise Agreements for all Juice and Snack Bars open or under construction hereunder, and such other then-current ancillary agreements, including personal guarantees, being required by Franchisor of new area developers on the date of transfer.

11.9.6 Area Developer executes a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor, its officers, directors, employees and principal stockholders of any and all claims and causes of action that he may have against Franchisor or any subsidiary or affiliated corporations in any way relating to this Agreement or the performance or non-performance thereof by Franchisor.

11.9.7 Area Developer or transferee pays to Franchisor a transfer fee in an amount equal to ten percent (10%) of the Development Fee paid by Area Developer to cover Franchisor reasonable costs in effecting the transfer and in providing training and other initial assistance to transferee.

11.10 Upon the death or mental incapacity of any person with an interest of more than twenty-five percent (25%) in this Agreement or in Area Developer, the executor, administrator or personal representative of such person shall transfer his interest to a third party approved by Franchisor within twelve (12) months. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to the same conditions as any <u>inter vivos</u> transfer. However, in the case of transfer by devise or inheritance, if the heirs or beneficiaries of any such person are unable to meet the conditions set forth in Section 11.1 hereof, the personal representative of the deceased shall have a reasonable time, not to exceed twelve (12) months from the date said personal representative is appointed, to dispose of the deceased's interest in Area Developer or in the Development Rights, which disposition shall be subject to all the terms and conditions for transfers contained in this Agreement. It is understood and agreed, however, that notwithstanding the foregoing, the Minimum Performance Schedule shall be complied with as though no such death or mental incapacity had occurred. In the event the interest described above is not disposed of within such time, Franchisor shall have the right to terminate this Agreement, provided such termination had not previously occurred for failure to perform pursuant to the Minimum Performance Schedule, upon ninety (90) days' notice to Area Developer's representative, or Franchisor shall have the right to re-purchase same at the same price being sought by the Area Developer's representative.

11.11 Franchisor consent to a transfer of any interest in Area Developer or in the Development Rights pursuant to this Section shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of Franchisor right to demand exact compliance with any of the terms of this Agreement by the transferee.

11.12 Franchisor shall have the right, without the need for Area Developer's consent, to assign, transfer or sell its rights under this Agreement to any person, partnership, corporation or other legal entity provided that the transferee agrees in writing to assume all obligations undertaken by Franchisor herein and Area Developer receives a statement from both Franchisor and its transferee to that effect. Upon such assignment and assumption, Franchisor shall be under no further obligation hereunder, except for accrued liabilities, if any. Area Developer further agrees and affirms that Franchisor may go public; may engage in a private placement of some or all of its securities; may merge, acquire other corporations, or be acquired by another corporation; and/or may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring. With regard to any of the above sales, assignments and dispositions, Area Developer expressly and specifically waives any claims, demands or damages arising from or related to the loss of Franchisor name, Marks (or any variation thereof) and System and/or the loss of association with or identification of BOBA TIME, INC. as Franchisor under this Agreement. Area Developer specifically waives any and all other claims, demands or damages arising from or related to the foregoing merger, acquisition and other business combination activities including, without limitation, any claim of divided loyalty, breach of fiduciary duty, fraud, breach of contract or breach of the implied covenant of good faith and fair dealing.

Area Developer agrees that Franchisor has the right, now or in the future, to purchase, merge, acquire or affiliate with an existing competitive or non-competitive franchise network, chain or any other business, regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities as "IT'S BOBA TIME " Juice and Snack Bars operating under the Marks or any other marks following IT'S BOBA TIME purchase, merger, acquisition or affiliation, regardless of the location of these facilities, which Area Developer acknowledges may be within its Development Area, proximate thereto, or proximate to any of Area Developer's locations.

If Franchisor assigns its rights in this Agreement, nothing herein shall be deemed to require Franchisor to remain in the "IT'S BOBA TIME" business or to offer or sell any products or services to Area Developer.

11.13 This Agreement shall inure to the benefit of Franchisor, its successors and assigns, and Franchisor shall have the right to transfer or assign all or any part of its interest herein to any person or legal entity, provided such transferee agrees to perform all of Franchisor's obligations hereunder.

SECTION XII
COVENANTS

12.1 Area Developer specifically acknowledges that, pursuant to this Agreement, Area Developer will receive valuable training and confidential information, including, without limitation, secret recipes, information regarding the marketing methods and techniques of Franchisor and the System. Area Developer covenants that during the term of this Agreement, except as otherwise approved in writing by Franchisor, Area Developer and persons controlling, controlled by or under common control with Area Developer, shall not, either directly or indirectly, for himself, or through, on behalf of or in conjunction with any person, persons or legal entity:

12.1.1 Divert or attempt to divert any business or client of the Franchised Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

12.1.2 Employ or seek to employ any person who is at the time employed by Franchisor or by any other franchisee or Area Developer of Franchisor, or otherwise directly or indirectly induce or seek to induce such person to leave his or her employment thereat.

12.1.3 Own, maintain, advise, help, invest in, make loans to, be employed by, engage in or have any interest in any juice and snack bar or food service business other than the Franchised Business (including any business operated by Area Developer prior to entry into this Agreement) specializing, in whole or in part, in the sale of the proprietary products for on-premises and carry-out consumption and/or operating a similar juice and snack bar concept selling the proprietary products sold by Franchisor or any of its franchisees or which Area Developer may be authorized to offer in connection with the Franchised Business.

12.2 Area Developer covenants that, except as otherwise approved in writing by Franchisor, Area Developer shall not, for a continuous and uninterrupted period commencing upon the expiration or termination of this Agreement, and continuing for two (2) years thereafter (and, in case of any violation of this covenant, for two (2) years after the violation ceases), either directly or indirectly, for himself or herself, or through, on behalf of or in conjunction with any person, persons, partnership or corporation, own, maintain, advise, help, invest in, make loans to, be employed by, engage in or have any interest in any business other than the Franchised Business specializing, in whole or in part, in providing the sale of the proprietary food items for on-premises and carry-out consumption and/or operating a similar juice and snack bar concept selling those food items sold by Franchisor, its franchisees or any other type of service which Area Developer may be authorized to offer in connection with the Franchised Business, which is located:

12.2.1 Within the Development Area; or

12.2.2 Within a radius of twenty-five (25) miles of the location of any Juice and Snack Bar; or

12.2.3 Within a radius of twenty-five (25) miles of the location of any other business using the System, whether franchised or owned by Franchisor.

12.3 Subsections 12.1.3 and 12.2 of this Section shall not apply to ownership by Area Developer of less than a five percent (5%) beneficial interest in the outstanding equity securities of any corporation or other entity which is registered under the Securities Exchange Act of 1934.

12.4 The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section XII is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which Franchisor is a party, Area Developer expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section XII.

12.5 Area Developer understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Subsections 12.1 and 12.2 or any portion thereof, without Area Developer's consent, effective immediately upon receipt by Area Developer of written notice thereof, and Area Developer agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section XVI hereof.

12.6 Area Developer expressly agrees that the existence of any claim it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section XII.

12.7 Area Developer acknowledges that any failure to comply with the requirements of this Section XII would cause Franchisor irreparable injury for which no adequate remedy at law may be available, and Area Developer hereby accordingly consents to Franchisor seeking injunctive relief prohibiting any conduct by Area Developer in violation of the terms of this Section XII. Franchisor may further avail itself of any other legal or equitable rights and remedies which it may have under this Agreement or otherwise.

12.8 At Franchisor's request, Area Developer shall require and obtain the execution of covenants similar to those set forth in this Section XII (including covenants applicable upon the termination of a person's relationship with Area Developer) from any or all of the following persons:

12.8.1 All Juice and Snack Bar managers of Area Developer and any other personnel employed by Area Developer who have received training from Franchisor;

12.8.2 All officers, directors and holders of a beneficial interest of five percent (5%) or more of the securities of Area Developer and of any corporation directly or indirectly controlling Area Developer, if Area Developer is a corporation; and

12.8.3 The general partners and any limited partners (including any corporation, and the officers, directors and holders of a beneficial interest of five percent (5%) or more of the securities of any corporation which controls, directly or indirectly, any general or limited partner), if Area Developer is a partnership.

Each covenant required by this Subsection 12.8 shall be in a form satisfactory to Franchisor, including, without limitation, specific identification of Franchisor as a third party beneficiary of such covenants with the independent right to enforce them. Failure by Area Developer to obtain execution of a covenant required by this Subsection 12.8 shall constitute a default under Section IX hereof.

12.9 During the term of this Agreement, an officer or agent of Franchisor shall have the right to inspect any Juice and Snack Bar in which Area Developer has an interest at reasonable times and during normal business hours to the extent reasonably necessary to determine whether the conditions of this Section XII are being satisfied. If, by reason of such inspections or otherwise, Franchisor has reason to believe that Area Developer is not in full compliance with the terms of this Section, Franchisor shall give notice of such default to Area Developer, specifying the nature of such default. If Area Developer denies that it is in default hereunder, as specified by Franchisor, it shall have the burden of establishing that such default does not exist and shall give notice to Franchisor of its position, within ten (10) days of receipt of the notice from Franchisor. Unless Area Developer so denies such default, it shall immediately take all steps to cure said default in a manner satisfactory to Franchisor.

SECTION XIII
NOTICES

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by certified or registered mail, return receipt requested, to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to COMPANY: BOBA TIME, INC.
701 S. Vermont Ave.
Los Angeles, CA 90005

ATTENTION: President

Notices to the Area Developer: ______________________
____
____
____

Any notice by certified or registered mail shall be deemed to have been given at the date and time of mailing.

SECTION XIV
INDEPENDENT CONTRACTOR AND INDEMNIFICATION

14.1 It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose whatsoever. Each party to this Agreement is an independent contractor, and neither shall be responsible for the debts or liabilities incurred by the other.

14.2 Area Developer shall hold itself out to the public to be an independent contractor operating pursuant to this Agreement. Area Developer agrees to take such actions as shall be necessary to that end.

14.3 Area Developer understands and agrees that nothing in this Agreement authorizes Area Developer to make any contract, agreement, warranty or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name, and that Franchisor assumes no liability for, nor shall be deemed liable by reason of, any act or omission of Area Developer or any claim or judgment arising therefrom. Area Developer shall indemnify and hold Franchisor and Franchisor officers, directors, and employees harmless against any and all such claims arising directly or indirectly from, as a result of, or in connection with Area Developer's activities hereunder, as well as the cost, including reasonable attorneys' fees, of defending against them, except that the foregoing shall not apply to infringement actions regarding the Marks which are caused solely by actions of Franchisor or actions caused by the negligent acts of Franchisor or its agents.

SECTION XV
APPROVALS

15.1 Whenever this Agreement requires the prior approval or consent of Franchisor, Area Developer shall make a timely written request to Franchisor therefore, and, except as otherwise provided herein, any approval or consent granted shall be in writing.

15.2 Franchisor makes no warranties or guarantees upon which Area Developer may rely, and assumes no liability or obligation to Area Developer or any third party to which it would not otherwise be subject, by providing any waiver, approval, advise, consent or services to Area Developer in connection with this Agreement, or by reason of any neglect, delay or denial of any request therefore.

SECTION XVI
NON-WAIVER

No failure of Franchisor to exercise any power reserved to it under this Agreement or to insist upon compliance by Area Developer with any obligation or condition in this Agreement, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of Franchisor rights to demand exact compliance with the terms of this Agreement. Waiver by Franchisor of any particular default shall not affect or impair Franchisor's right with respect to any subsequent default of the same or of a different nature; nor shall any delay, forbearance or omission of Franchisor to exercise any power or right arising out of any breach or default by Area Developer of any of the terms, provisions or covenants of this Agreement affect or impair Franchisor's rights, nor shall such constitute a waiver by Franchisor of any rights hereunder or rights to declare any subsequent breach or default.

SECTION XVII
SEVERABILITY AND CONSTRUCTION

17.1 Each covenant and provision of this Agreement shall be construed as independent of any other covenant or provision of this Agreement. The provisions of this Agreement shall be deemed severable.

17.2 If all or any portion of a covenant or provision of this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a decision to which Franchisor is a party, Area Developer expressly agrees to be bound by any lesser covenant or provision imposing the maximum duty permitted by law which is subsumed within the terms of such covenant or provision, as if that lesser covenant or provision were separately stated in and made a part of this Agreement.

17.3 Nothing in this Agreement shall confer upon any person or legal entity other than Franchisor or Area Developer, and such of their respective successors and assigns as may be contemplated by Section XI hereof, any rights or remedies under or by reason of this Agreement.

17.4 All captions in this Agreement are intended solely for the convenience of the parties and none shall be deemed to affect the meaning or construction of any provision hereof.

17.5 All references herein to gender and number shall be construed to include such other gender and number as the context may require, and all acknowledgments, promises, covenants, agreements and obligations herein made or undertaken by Area Developer shall be deemed jointly and severally undertaken by all those executing this Agreement on behalf of Area Developer.

17.6 This Agreement may be executed in triplicate and each copy of executed Agreement shall be deemed an original.

SECTION XVIII
ENTIRE AGREEMENT - APPLICABLE LAW

This Agreement, the documents referred to herein and the Exhibits attached hereto constitute the entire, full and complete agreement between Franchisor and Area Developer concerning the subject matter hereof and supersede any and all prior agreements. No amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. This Agreement shall be interpreted and construed under the laws of the State of California, and the parties hereto consent to irrevocably submit to the jurisdiction of all courts located within the State of California, County of Los Angeles. Be that as it may, nothing in this Agreement or in any related agreement is intended to disclaim the representations Franchisor made in the franchise disclosure document.

ARTICLE XIX
ARBITRATION

19.1 IN THE EVENT ANY PARTY IS REQUIRED TO EMPLOY LEGAL COUNSEL OR TO INCUR OTHER REASONABLE EXPENSES TO ENFORCE ANY OBLIGATION OF ANOTHER PARTY HEREUNDER, OR TO DEFEND AGAINST ANY CLAIM, DEMAND, ACTION, OR PROCEEDING BY REASON OF ANOTHER PARTY'S FAILURE TO PERFORM ANY OBLIGATION IMPOSED UPON SUCH PARTY BY THIS AGREEMENT, AND PROVIDED THAT LEGAL ACTION IS FILED BY OR AGAINST THE FIRST PARTY AND SUCH ACTION OR THE SETTLEMENT THEREOF ESTABLISHES THE OTHER PARTY'S DEFAULT HEREUNDER, THEN THE PREVAILING PARTY SHALL BE ENTITLED TO RECOVER FROM THE OTHER PARTY THE AMOUNT OF ALL REASONABLE ATTORNEYS' FEES OF SUCH COUNSEL AND ALL OTHER EXPENSES REASONABLY INCURRED IN ENFORCING SUCH OBLIGATION OR IN DEFENDING AGAINST SUCH CLAIM, DEMAND, ACTION, OR PROCEEDING, WHETHER INCURRED PRIOR TO OR IN PREPARATION FOR OR CONTEMPLATION OF THE FILING OF SUCH ACTION THEREAFTER. NOTHING CONTAINED IN THIS PARAGRAPH SHALL RELATE TO ARBITRATION PROCEEDINGS PURSUANT TO THIS AGREEMENT.

19.2 EXCEPT AS SPECIFICALLY OTHERWISE PROVIDED IN THIS AGREEMENT, THE PARTIES AGREE THAT ALL CONTRACT DISPUTES THAT CANNOT BE AMICABLY SETTLED SHALL BE DETERMINED SOLELY AND EXCLUSIVELY BY ARBITRATION UNDER THE FEDERAL ARBITRATION ACT AS AMENDED AND IN ACCORDANCE WITH THE RULES OF THE AMERICAN ARBITRATION ASSOCIATION OR ANY SUCCESSOR THEREOF. ARBITRATION SHALL TAKE PLACE AT AN APPOINTED TIME AND PLACE IN THE STATE OF CALIFORNIA, COUNTY OF LOS ANGELES.

19.3 EACH PARTY SHALL SELECT ONE (1) ARBITRATOR (WHO SHALL NOT BE COUNSEL FOR THE PARTY), AND THE TWO (2) SO DESIGNATED SHALL SELECT A THIRD ARBITRATOR. IF EITHER PARTY SHALL FAIL TO DESIGNATE AN ARBITRATOR WITHIN SEVEN (7) DAYS AFTER ARBITRATION IS REQUESTED, OR IF THE TWO ARBITRATORS SHALL FAIL TO SELECT A THIRD ARBITRATOR WITHIN FOURTEEN (14) DAYS AFTER ARBITRATION IS REQUESTED, THEN AN ARBITRATOR SHALL BE SELECTED BY THE AMERICAN ARBITRATION ASSOCIATION OR ANY SUCCESSOR THERETO UPON APPLICATION OF EITHER PARTY. JUDGMENT UPON ANY AWARD OF THE MAJORITY OF THE ARBITRATORS SHALL BE BINDING AND SHALL BE ENTERED IN A COURT OF COMPETENT JURISDICTION. THE AWARD OF THE ARBITRATORS MAY GRANT ANY RELIEF WHICH MIGHT BE GRANTED BY A COURT OF GENERAL JURISDICTION,

INCLUDING, WITHOUT LIMITATION, BY REASON OF ENUMERATION, AWARD OF DAMAGES (BUT EXCLUDING INJUNCTIVE RELIEF), AND MAY, IN THE DISCRETION OF THE ARBITRATORS, ASSESS, IN ADDITION, THE COSTS OF ARBITRATION, INCLUDING THE REASONABLE FEES OF THE ARBITRATORS AND REASONABLE ATTORNEYS' FEES, AGAINST EITHER OR BOTH PARTIES, IN PROPORTIONS AS THE ARBITRATORS SHALL DETERMINE.

19.4 NOTHING HEREIN CONTAINED SHALL BAR THE RIGHT OF EITHER PARTY TO SEEK AND OBTAIN TEMPORARY AND PERMANENT INJUNCTIVE RELIEF FROM A COURT OF COMPETENT JURISDICTION CONSISTENT WITH ARTICLE XIX HEREOF IN ACCORDANCE WITH APPLICABLE LAW AGAINST THREATENED CONDUCT THAT WILL IN ALL PROBABILITY CAUSE LOSS OR DAMAGE TO AREA DEVELOPER OR COMPANY.

19.5 IT IS THE INTENT OF THE PARTIES THAT ANY ARBITRATION BETWEEN THE AREA DEVELOPER AND COMPANY REGARDING A CLAIM OF AREA DEVELOPER SHALL BE OF AREA DEVELOPER'S INDIVIDUAL CLAIM AND THAT NO SUCH CLAIM SUBJECT TO ARBITRATION SHALL BE ARBITRATED ON A CLASS-WIDE BASIS.

19.6 AREA DEVELOPER SHALL NOT ASSERT ANY CLAIM OR CAUSE OF ACTION AGAINST COMPANY, ITS OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES OR AFFILIATES AFTER ONE (1) YEAR FOLLOWING THE EVENT GIVING RISE TO SUCH CLAIM OR CAUSE OF ACTION.

SECTION XX
TIMELY PERFORMANCE

Area Developer hereby acknowledges that its timely development of the Juice and Snack Bars in the Development Area in accordance with the Minimum Performance Schedule is of material importance to Franchisor and Area Developer. Area Developer agrees, as a condition of the continuance of the rights granted hereunder, to develop and open Juice and Snack Bars within the Development Area in accordance with the Minimum Performance Schedule, to operate such Juice and Snack Bars pursuant to the terms of the Franchise Agreements and to maintain all such Juice and Snack Bars in operation continuously. Franchisor agrees to diligently act upon any request of or approval from Area Developer and any material delay in Area Developer's ability to meet the Minimum Performance Schedule which is directly caused by Franchisor failure to act diligently upon a request for approval shall not constitute a default hereunder. Further, a failure or delay in performance by any party to this Development Agreement shall not be a default hereunder if such failure or delay arises out of or results from a Force Majeure, which for purposes of this Development Agreement shall be defined as fire, flood, earthquake or other natural disasters, or acts of a public enemy, war, rebellion or sabotage.

SECTION XXI
ACKNOWLEDGMENTS

21.1 AREA DEVELOPER ACKNOWLEDGES THAT THE SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT INVOLVES SUBSTANTIAL BUSINESS RISKS AND WILL BE TOTALLY AND COMPLETELY DEPENDENT UPON THE ABILITY OF AREA DEVELOPER AS AN INDEPENDENT BUSINESS PERSON. FRANCHISOR EXPRESSLY DISCLAIMS THE MAKING OF, AND AREA DEVELOPER ACKNOWLEDGES NOT HAVING RECEIVED, ANY WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, AS TO THE POTENTIAL VOLUME, PROFITS OR SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT.

21.2 AREA DEVELOPER ACKNOWLEDGES HAVING RECEIVED, READ AND UNDERSTOOD THIS AGREEMENT, THE EXHIBITS ATTACHED HERETO AND AGREEMENTS RELATING HERETO, IF ANY, AND THE OFFERING CIRCULAR; AND FRANCHISOR HAS ACCORDED AREA DEVELOPER AMPLE TIME AND OPPORTUNITY TO CONSULT WITH ADVISORS OF AREA DEVELOPER'S OWN CHOOSING ABOUT THE POTENTIAL RISKS OF ENTERING INTO THIS AGREEMENT.

21.3 AREA DEVELOPER ACKNOWLEDGES THAT HE RECEIVED A COMPLETE COPY OF THIS AGREEMENT, THE EXHIBITS HERETO AND AGREEMENTS RELATING HERETO, IF ANY, AT LEAST FIVE (5) BUSINESS DAYS PRIOR TO THE DATE ON WHICH THIS AGREEMENT WAS EXECUTED. AREA DEVELOPER FURTHER ACKNOWLEDGES HAVING RECEIVED THE REQUIRED BY THE TRADE REGULATION RULE OF THE FEDERAL TRADE COMMISSION ENTITLED "DISCLOSURE REQUIREMENTS AND PROHIBITIONS CONCERNING FRANCHISING AND BUSINESS OPPORTUNITY VENTURES" AT LEAST FOURTEEN (14) BUSINESS DAYS PRIOR TO THE DATE ON WHICH THIS AGREEMENT WAS EXECUTED.

21.4 AREA DEVELOPER AND EACH OF ITS PRINCIPALS, IF A CORPORATION, EXPRESSLY ACKNOWLEDGE THAT NEITHER IT NOR THEY HAVE RELIED UPON ANY EARNINGS CLAIMS, SUCH AS ORAL OR WRITTEN STATEMENTS OR SUGGESTIONS, MADE BY ANY REPRESENTATIVE OF OR ANY OTHER PERSON PURPORTING TO BE ACTING ON BEHALF OF FRANCHISOR REGARDING THE POTENTIAL FUTURE SALES, REVENUES OR PROFITS WHICH MAY BE DERIVED FROM OPERATION OF IT'S BOBA TIME JUICE AND SNACK BARS OR DEVELOPMENT OF THE DEVELOPMENT AREA.

SECTION XXII
EFFECTIVE DATE

This Agreement shall be effective as of the date it is executed by Franchisor.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Agreement in triplicate on the day and year first above written.

BOBA TIME, INC.

By:___________________________
(Signature)

____
(Printed Name & Title)

AREA DEVELOPER:

By:___________________________
(Signature)

____
(Printed Name & Title)

BOBA TIME, INC.

AREA DEVELOPMENT AGREEMENT

EXHIBIT "A"

Minimum Performance Schedule

The Agreement authorizes and obliges Area Developer to establish and operate _____ ( ) "IT'S BOBA TIME" Juice and Snack Bars pursuant to a Franchise Agreement for each Juice and Snack Bar. The following is Area Developer's Minimum Performance Schedule:

Juice and Snack Bar Number	Open & Operating On or Before	Payment Made	Balance Due Per Store	Due Date
				Upon simultaneous Execution of Franchise Agreement and Area Development Agreement
1			$ -0-	Paid in full
2				On the earlier of (i) the date a lease or purchase agreement for the Juice and Snack Bar is executed or (ii) ninety (90) days prior to the scheduled opening date for said Juice and Snack Bar
3				On the earlier of (i) the date a lease or purchase agreement for the Juice and Snack Bar is executed or (ii) ninety (90) days prior to the scheduled opening date for said Juice and Snack Bar
4				On the earlier of (i) the date a lease or purchase agreement for the Juice and Snack Bar is executed or (ii) ninety (90) days prior to the scheduled opening date for said Juice and Snack Bar
5				On the earlier of (i) the date a lease or purchase agreement for the Juice and Snack Bar is executed or (ii) ninety (90) days prior to the scheduled opening date for said Juice and Snack Bar

APPROVED:

AREA DEVELOPER

BOBA TIME, INC.

By:_______________________________ By: _______________________________
Eunice Unmi Pak, President

BOBA TIME, INC.
AREA DEVELOPMENT AGREEMENT

EXHIBIT "B"

Development Area

The following describes the Development Area within which Area Developer may locate "IT'S BOBA TIME" Juice and Snack Bars under this Agreement:

APPROVED:

AREA DEVELOPER BOBA TIME, INC.

By:_______________________________ By: _______________________________
Eunice Unmi Pak, President

EXHIBIT "C"

EXISTING JUICE AND SNACK BARS IN DEVELOPMENT AREA

None

APPROVED:

AREA DEVELOPER	BOBA TIME, INC.
By:______________________________	By: ______________________________
	Eunice Unmi Pak, President

EXHIBIT "D"

BOBA TIME, INC.

AREA DEVELOPMENT AGREEMENT

CERTIFICATION OF AREA DEVELOPER

The undersigned, personally and as an officer or partner of Area Developer, as applicable, does hereby certify that he has conducted an independent investigation of the business contemplated by this Area Development Agreement and the Franchisor. Franchise Agreement, and that the decision to execute the Area Development Agreement was based entirely upon the independent investigation by the undersigned; and the undersigned further certifies that he has not relied upon, in any way, any claims regarding potential sales, income, or earnings to be derived from the business contemplated by the Franchise Agreement and Area Development Agreement, and has not relied upon any claims regarding past or current sales, income or earnings of Company-operated "IT'S BOBA TIME" Juice and Snack Bars. The undersigned further certified that he understands the risks involved in this investment, and Franchisor makes no representation or guaranty, explicit or implied that the Area Developer will be successful or will recoup his investment.

IN WITNESS WHEREOF, the undersigned has signed, sealed and delivered this Certificate this _____ day of ________, 20__.

"AREA DEVELOPER"

By: ______________________________
Printed Name: ______________________
Its: ______________________________

Each of the undersigned owns a five percent (5%) or greater beneficial interest in Area Developer, each has read this Area Development Agreement, and each agrees to be individually bound by all obligations of Area Developer hereunder.

______________________________ ______________________________

______________________________ ______________________________

______________________________ ______________________________

EXHIBIT E

OPERATING MANUAL - TABLE OF CONTENTS

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EXHIBIT F

LIST OF CURRENT FRANCHISEES

City	Franchisee	Address	Telephone Number
Artesia	Chris S. Lee	17901 Pioneer Blvd., Ste. I Artesia, CA 90701	562-860-1919
Bakersfield	Ameliana Jo Berg	10500 Stockdale Hwy, Ste. 200 Bakersfield, CA 93311	309-660-2374
Buena Park	Don Lee	5260-A Beach Blvd. Buena Park, CA 90621	714-522-2622
Canoga Park	Jason Park	6660 Topanga Canyon Blvd., Ste. 1012 Canoga Park, CA 91303	818-887-7670
Chino Hills	Hyun Kim	3410 Grand Ave., Ste. G Chino Hills, CA 91709	909-464-2622
Eagle Rock	Joanna Guerrero	2255 Colorado Blvd. Los Angeles, CA 91303	323-474-6101
Fullerton	Byung Ha Chang	131 E. Commonwealth Ave. Fullerton, CA 92832	657-217-5309
Gardena	Suzanne Ko	15482 S. Western Ave. Gardena, CA 90249	310-538-2622
Glendale	Joanna Guerrero	136 S. Brand Blvd. Glendale, CA 91204	818-945-5755
Glendale	Jason Park	100 W. Broadway Glendale, CA 91210	818-539-8839
Irvine	Eric Ji	3905 Irvine Blvd. Irvine, CA 92602	714-352-6592
Los Angeles	Glen Suh	3450 W. 6th St., Ste. 111 Los Angeles, CA 90020	818-288-6604
Los Angeles	David Sim	704 N. Vermont Ave. Los Angeles, CA 90029	323-662-2622
Los Angeles	Seo Woon Choi & Seon Hee Min	1001 S. Alvarado St. Los Angeles, CA 90006	213-387-2622
Los Angeles	Seung Wook Kim & John Kim	6660 Sunset Blvd. Los Angeles, CA 90028	323-464-2622
Los Angeles	Young Jae Lee & Jing Zhang	3617 S. Vermont Ave. Los Angeles, CA 90007	323-737-3008
Los Angeles	Young Jae Lee & Jing Zhang	10946 Weyburn Ave. Los Angeles, CA 90024	424-369-5227
Los Angeles	Esther Park	5549 Sunset Blvd. Los Angeles, CA 90028	323-798-4780
Los Angeles	Sutinee Thongsuk	125 N. Western Ave., Ste. 103 Los Angeles, CA 90004	323-466-2622
Monterey Park	Judy Son	2252 S. Atlantic Blvd. Monterey Park, CA 91754	323-853-2622

Northridge	Bok Hee Kim	19600 Plummer St., Ste. 600 Northridge, CA 91324	818-818-5151
Panorama City	David Sim	14417 Roscoe Blvd., Unit P Panorama City, CA 91402	818-830-2622
San Diego	Paul Daesung Kwon	4344 Convoy St., Ste. A San Diego, CA 92111	858-877-9006
Santa Clarita	Katie Kim	23426 Lyons Ave. Santa Clarita, CA 91321	661-284-2622
Santa Clarita	Katie Kim	18729 Via Princessa Canyon Country, CA 91387	661-250-2622
Simi Valley	Bok Hee Kim	2679 Tapo Canyon Rd. Simi Valley, CA 93063	805-624-7944
Torrance	Se Woong Kim	2370 Crenshaw Blvd., Ste. J Torrance, CA 90501	424-558-3699
Eric Ji	Westminster	9090 Bolsa Ave. Westminster, CA 92683	714-622-4622

EXHIBIT G

LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM

Name	Last Known Address	Last Known Contact	Period of Operation	Reason for Departure
Kyunghwan Doh	6822 Vallon Drive Rancho Palos Verdes, CA 90275	213-820-3090	03/13/14 – 05/19/16	Business Sold
Dong Kyu Yang	19 Amoret Drive Irvine, CA 92602	949-701-3599	05/19/14 – 09/15/17	Voluntary Departure
Jae Min Kwak	412 South Wilton Place, Apt. 301 Los Angeles, CA 90020	213-507-3426	04/01/13 – 09/15/17	Termination
Misha & Richard Son	2111 Cheyenne Way, Unit 14 Fullerton, CA 92833	213-200-9796	09/01/15 – 12/18/17	Business Sold

RECEIPT

(RETURN ONE COPY TO US)

THIS DISCLOSURE DOCUMENT SUMMARIZES CERTAIN PROVISIONS OF THE FRANCHISE AGREEMENT, THE AREA DEVELOPMENT AGREEMENT AND OTHER INFORMATION IN PLAIN LANGUAGE. READ THIS DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY.

IF BOBA TIME, INC. OFFERS YOU A FRANCHISE, IT MUST PROVIDE THIS DISCLOSURE DOCUMENT TO YOU AT LEAST 14 CALENDAR-DAYS BEFORE YOU SIGN A BINDING AGREEMENT WITH, OR MAKE A PAYMENT TO, THE FRANCHISOR OR AN AFFILIATE IN CONNECTION WITH THE PROPOSED FRANCHISE SALE.

IF BOBA TIME, INC. DOES NOT DELIVER THIS DISCLOSURE DOCUMENT ON TIME OR IF IT CONTAINS A FALSE OR MISLEADING STATEMENT, OR A MATERIAL OMISSION, A VIOLATION OF FEDERAL AND STATE LAW MAY HAVE OCCURRED AND SHOULD BE REPORTED TO THE FEDERAL TRADE COMMISSION, WASHINGTON, D.C. 20580 AND THE STATE ADMINISTRATORS LISTED IN EXHIBIT 1.

The sellers of "It's Boba Time" franchise are:

Boba Time, Inc.
Representative: Eunice Unmi Pak
701 S. Vermont Ave.
Los Angeles, CA 90005 (213) 251-0001

The name and address and phone number of the person authorized to receive service of process on behalf of the Franchisor is: Eunice Unmi Pak, 701 S. Vermont Ave., Los Angeles, CA 90005 (213) 251-0001,

Date of Issuance: April 11, 2019

I have received a disclosure document dated April 11, 2019 that included the following Exhibits:

A. State Administrators/Agents for Service of Process
B. State Specific Addendum
C. Franchise Agreement
D. Area Development Agreement
E. Table of Contents of Confidential Operating Manual
F. List of Franchisees
G. List of Franchisees Who Have Left the System
H. Financial Statements

Dated: ____________________ Franchisee: ______________________________
Name: ____________________
Phone: ____________________

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