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FRANCHISE DISCLOSURE DOCUMENT

DEPARTMENT OF
BUSINESS OVERSIGHT
SAN FRANCISCO



LOVING HUT®

Loving Hut Inc
A California corporation
2667 Glen Doon Court
2300 Zanker Road, Suite B, San Jose, CA 9514895131
(408626) 505941-58244127
Franchising@lovinghut.us
www.lovinghut.us

The franchise is for a retail food establishment under the name "Loving Hut Inc operates" offering vegan restaurant cuisine. The total investment necessary to begin operations of a Loving Hut franchise is \$83,000 - ~~\$382,000~~ \$400,000. This includes \$15,000 that must be paid to the franchisor or affiliate.

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

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available for 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, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date ~~July 14~~August 22, 2011
2016

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 administrators listed in Exhibit C 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

Risk Factors

THE FRANCHISOR WAS FORMED IN MARCH 2010 AND HAS OPERATED AT A LOSS UNTIL 2015. THEIR AUDITED BALANCE SHEET AS OF DECEMBER 31, 2015 SHOWS NET INCOME IN 2015 OF \$9,791. A PROSPECTIVE FRANCHISEE SHOULD TAKE THIS FACTOR INTO CONSIDERATION WHEN DECIDING WHETHER TO PURCHASE A FRANCHISE.

THE FRANCHISE AGREEMENT REQUIRES THAT ALL DISAGREEMENTS BE SETTLED BY MEDIATION OR BY LITIGATION. IF YOU SUE THE FRANCHISOR YOU MUST DO SO IN THE STATE OF CALIFORNIA. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO SUE IN CALIFORNIA THAN IN YOUR HOME STATE.

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

THE CASUAL DINING RESTAURANT INDUSTRY AND THE LOVING HUT CONCEPT PRESENT SUBSTANTIAL RISKS AND UNCERTAINTIES. SEE ITEM 1.

THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We may use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source is our agent and represents

EFFECTIVE DATES

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

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates

STATES	EFFECTIVE DATE
California	Pending
Hawaii	Pending
Illinois	Pending
New York	Pending
Washington	Pending

This Franchise Disclosure Document is exempt from the following states having business opportunities laws, with the following effective dates

STATES	EFFECTIVE/<u>FILING</u> DATE
Florida	January 5, 2011
Kentucky (one-time filing)	No Filing
Nebraska (one-time filing)	No Filing
Texas (one-time filing)	January 5, 2011
Utah	No Filing

In all other states, the effective date of this Franchise Disclosure Document is the issuance date of ~~July 14~~August 22, 2011~~2011~~2016

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ITEM 1
THE FRANCHISOR, PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language, this disclosure document uses "we" or "us" to mean Loving Hut Inc., the franchisor. "You" means the individual, corporation, or other entity that buys a Loving Hut franchise.

Franchisor and Predecessor

We conduct our business under the name Loving Hut USA. Our principal business address is ~~2667 Glen Doon Court~~ 2300 Zanker Road, Suite B, San Jose, CA 95148. We are a California corporation that was incorporated on March 9, 2010 and began offering Loving Hut franchises for the first time in any state as of the effectiveness date of this franchise disclosure document. We do not conduct business under any other name.

~~We do not have any corporate parent or affiliates.~~
~~We are the franchisor within the United States for the Loving Hut franchise system. We hold an exclusive license to use Loving Hut trademarks from Our parent company is Loving Hut International Limited ("Loving Hut International"), a limited liability company of the British Virgin Islands. Loving Hut International's principal business address is OMC Chambers, P O Box 3152, Road Town, Tortola, British Virgin Islands.~~

We are the franchisor within the United States for the Loving Hut franchise system. We hold an exclusive license to use Loving Hut trademarks from Loving Hut International.

Loving Hut International has offered restaurant franchises similar to those offered here under the Loving Hut trademark since April 2008 in more than 20 other countries or jurisdictions including Australia, Austria, Belgium, Canada, Czech Republic, France, Germany, Hong Kong, Indonesia, Japan, Korea, ~~Malaysia~~, Mongolia, Panama, Poland, Peru, Russia, Singapore, Slovenia, Spain, Taiwan, Thailand, ~~Vietnam~~, and the United Kingdom.

Loving Hut International offered restaurant franchises in the United States between July 2008 and June 2010. In 2010, Loving Hut International licensed Loving Hut USA to administer those outlets. In June 2014, Loving Hut International became the sole stock holder of Loving Hut Inc.

Agent for Service of Process

Our agents for service of process are listed in Exhibit C.

Prior Experience

We were formed in 2010. We do not operate any Loving Hut restaurants, although some of our executive managers are Loving Hut franchisees who currently own, have owned or have managed Loving Hut restaurants.

The Business We Offer

Your Loving Hut restaurant will offer exclusively healthy, delicious and environmentally friendly vegan food that is free from genetically modified organism ("GMO") and has a small carbon footprint. Organic ingredients should be used whenever available, and you may be required to serve 100% organic food in the future. Your customers will be the general public. This prohibition includes food that is vegetarian but is derived from animals, including dairy products, eggs and honey. We also prohibit the sale or service of any alcoholic beverages.

A Loving Hut restaurant is primarily a quick-service restaurant, with a walk-up counter at which orders are placed and a number of tables allowing diners to eat in the restaurant. Our restaurants also offer take-out and some offer delivery services within a limited radius, although delivery is not required. For some locations, you may offer full-service dining with prior written approval ~~from~~from us. Most geographic areas have a limited number of strictly vegan restaurants, but the market for health-conscious restaurants is fully developed. Your competitors include restaurants offering vegan, vegetarian, low-fat, organic and health-conscious food and can include both national chains and local restaurants, as well as healthy offerings available from supermarkets, pre-made meals and other sources.

We do not offer a Loving Hut restaurant to anyone who is not a vegan. A vegan diet restricts the use of many ingredients that are common in cooking for people who eat meat or animal-derived proteins. In our experience, the successful operation of a Loving Hut restaurant requires a vegan owner and operator who is familiar with vegan dietary restrictions, meal flavors and preparations, and who shares our corporate commitment to promoting this environmentally and personally healthy diet. We require that all owners of the Loving Hut Restaurant maintain a vegan lifestyle during the term of the franchise agreement and also that any general manager be a vegan. We also require that you do not drink alcohol, except as is required for religious observance or medical purposes. If you or your business partners do not meet these criteria, or you want to have your restaurant run by a manager who is not a vegan, this is not an opportunity for you and we will not grant you a franchise.

Applicable Regulations

You must comply with federal, state and local health and safety requirements concerning food handling, kitchen cleanliness and sanitary conditions. There are licensing requirements associated with offering prepared food with which you must comply in order to open your business.

ITEM 2 BUSINESS EXPERIENCE

President & Chairman of the Board — ~~Chin Chye Koh~~CEO. Tsung-Liang Lin

Mr. Lin joined the management team of Loving Hut Alhambra in April 2010 and worked as chef and administrator. He participated at the planning and operation of Loving Hut

Brooklyn in Brazil from January to June in 2013. In October, 2013 he joined Ecovegan, LLC to provide vegan and eco-friendly products to vegan restaurants

Vice President of Operations and Marketing: Harry Mai

Mr Koh became the President and Chairman of Loving Hut USA in April 2010. He has been the Vice President of Rain Design, Inc in San Francisco, California since October 2005. Mr Mai was promoted to the VP of Operations and Marketing for Loving Hut USA in April 2013 after joining the service team in August 2010. Mr Mai was a general manager of a Loving Hut restaurant in Phoenix, Arizona from October 2008 to August 2010. He owned and operated a Loving Hut in Houston, Texas from February 2013 to March 2016

CEO and Director of Sales Vice President of Research and Development Jingwu Zhang

Dr Zhang became the was appointed to lead the efforts of Research and Development in July 2014. He served as CEO and the Director of Sales of at Loving Hut USA from April 2010 to July 2014. He co-owned and operated co-owns and operates three Loving Hut restaurant restaurants in San Jose, California from February 2009 to May 2010. He was a Senior Research Scientist for Intel Corporation in Santa Clara and Milpitas, California from March 2003 to June 2010 since May 2009

Creative Director Linh La

Ms La became the Creative Director for Loving Hut USA in July 2010. Ms La previously worked as the interior and graphic designer for Loving Hut International from October 2008 to July 2010. From December 2007 to October 2008, Ms La was a graphic designer for World at Work in Phoenix, Arizona. She was an instructor for Arizona State University in Phoenix between August 2006 and June 2008. From August 2005 to November 2007, she was also a graphic designer for MGA Interiors and Graphics in Phoenix. Since May 2012, Ms La has also taken on the responsibility of being the front manager and trainer at Loving Hut Glendale, and Loving Hut Tempe, Arizona

Operations Manager and Director of Marketing Harry Mai

CFO and Architecture Consultant Viet Nguyen

Mr Nguyen served as architecture consultant for Loving Hut since 2009 and participated at the design work for numerous Loving Hut restaurants in the United States. Mr Nguyen was entrusted with the responsibility of CFO since the last quarter of 2013

Mr Mai became the Operations Manager and Director of Marketing for Loving Hut USA in August 2010. Mr Mai was a general manager of a Loving Hut restaurant in Phoenix, Arizona from October 2008 to August 2010. He served as a professional realtor at High Profile Realty in Phoenix, Arizona between June 2005 and December 2008. Mr Mai was an engineering manager for Honeywell International, Inc in Phoenix, Arizona between May 1998 and December 2005.

Chief Financial Officer S Carla Yin

~~Ms Yin became the CFO of Loving Hut in USA October of 2010 With a M S Degree from Ohio State University, Ms Yin completed a Professional Accounting Program at UCLA From 1995 to 2011, Ms Yin served as SAP Consultant and In Charge Auditor at Price Waterhouse Coopers LLC, Los Angeles California From 2002 to 2003, Ms Yin was Accounting Manager for KSCI TV, Los Angeles, California Since 2004, Ms Yin has her own CPA and consulting practice~~

~~Director of Customer Service—Aiely Liao~~

~~Ms Liao became the Director of Customer Service of Loving Hut USA in May 2011. From September 2009 to March 2011, Ms Liao was the co-owner and operator of a Loving Hut outlet in San Jose, California. From June 2007 to June 2008, Ms Liao was Customer Project Manager at Juniper Network Inc in Sunnyvale, California. From July 1999 to August 2006, she was Partner Customer Service Manager at Sun Microsystems in Menlo Park, California.~~

**ITEM 3
LITIGATION**

On September 7, 2012, the California Commissioner of the Department of Corporations of the approved as to the form a Notice of Violation under the California Corporations Code, Section 31303. The Notice was issued because Loving Hut, Inc. and/or its predecessor may have violated the California Franchise Investment Law ("FIL") by offering and selling in the State of California eighteen (18) franchises to eighteen (18) individuals/entities before it had registered its offer with the State of California. As of September 17, 2012, Loving Hut, Inc. had sent to all 18 (eighteen) individuals/entities the approved Notice of Violation.

In November 2012, Loving Hut, Inc. entered into a Settlement Agreement with the Commissioner of Securities, Department of Commerce and Consumer Affairs of the State of Hawaii. This Agreement was executed because Loving Hut may have violated Chapter 482E, HRS by offering and selling two (2) franchises to two (2) individuals/entities in the State of Hawaii before it and/or its predecessors had registered its offer with the State of Hawaii. Loving Hut is registering its offering with the State of Hawaii and shall provide the two (2) franchisees offering circulars within nine months of the Settlement Agreement.

On March 23, 2016, Loving Hut, Inc. executed an Assurance of Discontinuance Pursuant to Executive Law § 63(12) with the Attorney General of the State of New York, Investor Protection Bureau. This Assurance was executed because the New York Attorney General found that Loving Hut had sold two (2) franchises in the State of New York without registering its offer with the State of New York. In connection with this Assurance, Loving Hut, Inc. also offered rescission to its New York franchisee.

Other than the above, 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 FEES**

You must pay an initial franchise fee in the lump sum of \$15,000 when you sign a franchise agreement. This fee may be used by us for any purpose, in our sole discretion. This

payment is not refundable under any circumstances, even if you do not satisfactorily complete training or you are unable to find a suitable location for your Loving Hut restaurant

~~Between July 2011 and December~~ Until May 31, 2011 ~~2017~~, we are offering a discount on our initial fee. During this time, the fee is reduced to \$3,000. At the end of this promotional period, the fee will return to \$15,000.

**ITEM 6
OTHER FEES**

Type of Fee	Amount	Due Date	Remarks
Royalty	2% of gross sales per month, or \$500, whichever is greater	Payable monthly, no later than the 10th of the month (Note 1)	Gross sales include all revenue generated by your location
Advertising Contribution <u>Royalty</u>	2% of gross sales \$250.00 per month, with a minimum contribution of \$500 and a maximum monthly contribution of \$1,000	Payable monthly, no later than the 10th of the month (Note 1)	Gross sales include all revenue generated by your location
Local Store Advertising Contribution (Note 2)	1% of gross sales per month, with a minimum contribution of \$200 and a maximum monthly contribution of \$1,000	Payable monthly, no later than the 10th of the month (Note 1)	Gross sales include all revenue generated by your location, we collect the Local Store Advertising Contributions, but we do not direct the expenditure of these ad funds- (Note 2)
Additional Training (Note 32)	\$200 per person per day	Prior to the start of training	Initial training is free for one manager and one chef
Audit	Cost of audit, plus maximum legal interest on late payments	At conclusion of audit	This fee is only charged if our audit reveals that you have underreported and underpaid your monthly obligations to us by 5% or more
Transfer	\$6,000	Prior to transfer	This fee is only charged if you transfer your interest to a new owner (Note 43)
Renewal	\$6,000	Prior to renewal	You must be in good standing in order to qualify for renewal

Note 1 If you do not pay periodic fees when due, we charge interest on the unpaid amount at a rate of prime plus 3% interest (or the highest rate permitted by law, if that is lower) We also impose a late fee of \$50 every 30 days the late payment is not made

~~Note 2 We require you to advertise for your local store The money that we collect for the Local Store Advertising Contribution is reimbursable to you when you provide us with receipts showing your advertising expenses Although we do not direct how you spend your Local Store Advertising Contribution funds, we reserve the right to refuse reimbursement for expenses that do not constitute advertising or marketing for your store If you are not sure whether or not a particular expense will be approved, you may contact us before incurring the expense and we will review it and tell you whether or not it is reimbursable from your Local Store Advertising Contribution fund~~

~~In the future, we may form Regional Advertising Cooperatives, consisting of groups of Loving Hut restaurants in one geographic area In the event that we form a Regional Advertising Cooperative for your local area, you will be required to join, and your Local Store Advertising Contributions will become contributions to the Regional Advertising Cooperative More information on advertising and our right to establish Regional Advertising Cooperatives is included at Item 11~~

Note 32 Additional training is only for employees who are not trained during the initial training Additional training typically takes place at a designated training site, although it can take place at your restaurant if you have opened for business The fee is the same regardless of where training takes place However, the franchisee needs to take care of the travel and lodging expenses of the trainers if an on-site training is arranged

Note 43 In addition to paying the transfer fee, any transfer of your interest during the term of this agreement requires our agreement and approval of the proposed transferee

ITEM 7 ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial franchise fee	\$15,000 (Note 1)	Lump sum	At signing of franchise agreement	Loving Hut
Travel and living expenses while training	\$1,000 to \$3,000	As incurred	As incurred	Third party vendors
Premises Investments and Improvements	\$25,000 to \$200,000 (Note 2)	As incurred	Prior to opening	Prior business owner, Landlord or land owner

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Security deposits	\$3,000 to \$10,000	As incurred	Prior to opening	Landlord and/or third party vendors
Equipment	\$10,000 to \$50,000 (Note 3)	Lump sum	Prior to opening	Third party vendors
Signs	\$3,000 to \$8,000 \$6,000	Lump sum	Prior to opening	Third party vendors
Decor package	\$2,500 to \$5,000 (Note 4)	Lump sum	Prior to opening	Third party vendors
Uniforms	\$500 to \$2,000 (Note 5)	Lump sum	Prior to opening	Third party vendor
Insurance	\$500 to \$3,000	Lump sum	Prior to opening	Third party vendor
Opening inventory	\$2,000 to \$5,000 \$10,000	Lump sum	Prior to opening	Third party vendors
Opening local advertising	\$500 to \$1,000 (Note 6)	Lump sum	Prior to opening	Third party vendors
Additional funds (6 months)	\$20,000 to \$80,000 \$95,000 (Note 7)	As incurred	As incurred	Landlord, third party vendors, employees
TOTAL	\$83,000 - \$382,000 \$400,000			

Note 1 As described in Item 5, ~~between July 2011 and December~~until May 31, 2011~~2017~~, we are offering a discount on our initial fee. During this time, the fee is reduced to \$3,000. At the end of this promotional period, the fee will return to \$15,000.

Note 2 We recommend that you acquire an existing, vacant restaurant space as your premises and renovate it according to our Loving Hut standards for decor and kitchen equipment. Our estimate of cost is based on this model. In some instances, particularly in shopping malls, if you take over a restaurant space that has been abandoned by a prior tenant, you may pay nothing for the right to use the space and the kitchen will already be constructed. The purchase of an existing restaurant business that is still in operation may cost up to approximately \$200,000.

Our estimate of the cost to renovate an existing restaurant space with the décor and required kitchen layout for a Loving Hut restaurant is based on the cost for an average location that is

already built as a restaurant space and has an existing kitchen that includes the basic facilities such as a hood, a grease trap, a three compartment sink, a preparation sink, and a mop sink. In our experience, renovation of locations in shopping malls and airports may cost more because the design has to meet the standards of the shopping malls or airports. If you choose to build your Loving Hut Restaurant in an empty shell location, the cost will be considerably higher because of the expense of building out a full kitchen.

Note 3 If you do not already own sufficient kitchen equipment, you will need to purchase it. A Loving Hut kitchen typically requires one 12-14' hood, a 4- or 6-burner range, a 3-wok range, a stock pot range, a deep fryer, at least one double-door reach-in refrigerator and one double-door freezer, an ice maker, a sandwich preparation table, a deli display case, an under-counter refrigerator, and a POS system. For quick-service restaurants located in shopping malls and other high foot-traffic area, a steam table with at least four (4) openings is required. Our estimated range is for the acquisition of all this equipment.

Note 4 Interior decorations include at least one ~~flat television with satellite connection~~ illuminated Loving Hut logo, paintings and photographs.

Note 5 Your cost for uniforms will depend on how many workers you employ.

Note 6 We recommend that you have business cards, paper menus and flyers printed to help promote your business during your opening weeks. You may elect to engage in a larger opening promotional campaign, in which case your expenses could exceed this estimate.

Note 7 This is an estimate of your start-up expenses, which include payroll costs. This range is an estimate and we cannot guarantee that you will not have additional expenses starting the business. Your costs will depend on many factors, including your experience in running a restaurant, your management skill, local economic conditions, how well you follow our System, competition, local insurance and wages, and the local demand for healthy vegan food.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases

All food items sold at Loving Hut Restaurants must be vegan, using non-GMO ingredients. They must use organic ingredients where possible. We require strict compliance with our vegan requirements and do not allow you to sell products containing or made with disapproved ingredients. Our operating manual contains our Loving Hut Vegan Criteria, which may be modified from time to time in our discretion.

Required and Approved Suppliers

~~We require you to purchase certain products, including textured vegetable protein ("TVP") and other common food products, from our approved suppliers, which are listed in our operation manual.~~

We do not have required suppliers. You may purchase your food items from any supplier as long as the food meets our vegan and non-GMO criteria. For your convenience, we maintain a list of approved suppliers which sell food that we have verified meets our standards.

One of our approved suppliers is Loving Hut International. Our President and CEO, Mr. Chin Chye Koh, owns an interest in Tsung-Liang Lin, is also CEO of Ecovegan LLC, which is an exclusive distributor of the food manufactured by Loving Hut International in the United States.

Approval of Alternate Suppliers

From time to time, we may approve other suppliers whose products meet our Loving Hut Vegan Criteria. If you would like to purchase from an alternate supplier, you may do so, but you will have the responsibility for verifying that the food meets our criteria. If we discover that it does not, we may require you to stop serving any of that food in your restaurant.

If you would like to be certain that a supplier's food meets our criteria, you may request that we review that supplier's products and determine whether or not to approve them as a vendor in advance. Unless there is broad interest from all the franchisees in the supplier, we will require that you pay a fee to allow us to purchase a supply of the product and conduct a chemical analysis if we deem it necessary to ensure that the product meets our vegan criteria. The fee is typically \$500 and takes approximately eight weeks. ~~Our approval of other suppliers depends on many factors, including the proposed supplier's commitment to our core values of environmental responsibility, reduced carbon footprint and strict vegan products, as well as their business reputation, delivery performance, product quality, production capability, financial status and credit rating, and other factors.~~

Revenue from Franchisee Purchases

~~Loving Hut International began to sell food products to Loving Hut restaurant owners in USA in January 2010. The International's total revenue from food sales in United States as of, through Ecovegan, for the year ended December 31, 2010~~ 2015, including sales to both franchisees and those outside of the Loving Hut restaurant system, is approximately \$180,000.00. ~~As Loving Hut International makes more food products available, the total sales revenue is expected to increase~~ 920,000. The purchase of food products from Loving Hut International will represent approximately 15-20% of your overall purchases. Loving Hut International does not pay us any rebate or other revenue from these purchases.

Ecovegan LLC's total sales to franchisees for the year ended December 31, 2015 is \$430,000.

Cooperatives

We do not have any purchasing or distribution cooperatives.

5 Assist you in ordering signs, fixtures, and opening inventory materials and food We will approve the drawings provided by the sign company, provide you with design assistance for your menu, business cards and other advertising materials, and make recommendations for the volume of food to order based on your anticipated menu and foot traffic We will also provide assistance with your selection of optional menu items (Franchise Agreement - Section 4 4)

Post-Opening Assistance

During the operation of the business within the term of the Agreement, we will

1 Work to develop new menu items and new methods of service and provide you with information about these developments (Franchise Agreement - Sections 4 4, 6 5)

2 Periodically develop advertising materials and provide those to you for use in the local advertising of your Restaurant (Franchise Agreement - Sections 9 1, 9 2)

3 Check in with you at least once per quarter to discuss your operations and provide advice regarding any questions you may have (Franchise Agreement - Section 4 4)

4 Maintain the company website which will include a link to a site-specific page for your Restaurant, including the menu, hours of operation and directions for your business, provided that you supply us with that information (Franchise Agreement - Section 6 10)

5 At present, we do not hold an annual franchisee conference, but we may choose to do so in the future If we implement an annual conference, we may charge a conference fee and you will be responsible for all of your travel and living expenses during the conference Attendance will be encouraged but will not be mandatory for the annual conference

Advertising

We provide certain advertising materials and advertising support to you through our national advertising program, ~~paid for by the national Advertising Contributions~~ Specifically, we provide the following services and support

1 We design and maintain the Loving Hut website

2 We provide support for you to populate a web page connected to the Loving Hut website for your Loving Hut Restaurant

3 We design certain other marketing materials, including layouts for takeout menus, posters, banners, business cards, and other materials that can be used in your Loving Hut Restaurant

~~We do not collect National Advertising Contributions from all of the original operators of Loving Hut restaurants However, we will collect National Advertising Contributions from all~~

~~newly opened Restaurants in the future. We do not currently own any Loving Hut restaurants, but if we open or acquire any our corporate units will make Advertising Contributions to the national fund at the same rate as would be required if that restaurant were franchisee owned. We administer the national Advertising Contributions fund and have exclusive discretion over its expenditures. We use the Advertising Contributions exclusively for advertising, promotion and marketing efforts and associated administrative expenses for the Loving Hut system within the United States. The national Advertising Contributions fund is not audited, but we make a statement of our use of the national Advertising Contributions fund available annually to franchisees. We do not use the national Advertising Contributions fund to sell additional franchises.~~

~~We do not collect Local Store advertising contributions from all of the original operators of Loving Hut restaurants. However, we will collect Local Store Advertising Contributions from all newly opened Restaurants in the future. We also collect a Local Store Advertising Contribution from all franchisees. If we ever open or acquire a corporate owned Loving Hut restaurant, we will not collect a Local Store Advertising Contribution from that unit, but we will ensure that all corporate owned units spend the same amount of money on local store advertising as we require of franchisees. Your Local Store Advertising Contribution fund is used to reimburse you for advertising, marketing or promotions activities you undertake on behalf of your Loving Hut Restaurant. We reimburse you up to the amount of Local Store Advertising Contribution we have collected from you. We have discretion to refuse to give reimbursements, but we will only do so where we determine that the requested reimbursement is not for advertising, marketing or promotion of your Loving Hut Restaurant, or where your requested reimbursement is for activity that is in breach of your franchise agreement. The Local Store Advertising Contribution fund is not audited, but we provide you with an annual statement of your Local Store Advertising Contribution balance, and you may request a current balance and a copy of your recent contributions and reimbursements from us at any time. No part of the Local Store Advertising Contribution fund is used to sell franchises you, and other than our website, we do not run any local, regional or national advertising campaigns or marketing efforts. However, we strongly encourage you to pay for your own local advertising. We believe that local advertising will help your location be successful.~~

If you wish to form a regional advertising cooperative by joining with other franchisees in your area to pool money and pay for advertising, you are welcome to do so

~~In the future, we may modify the Local Store Advertising Contribution fund system by forming Regional Advertising Cooperatives, consisting of groups of Loving Hut restaurants in one geographic area. We will have discretion to determine the size and number of Regional Advertising Cooperatives. In the event that we form a Regional Advertising Cooperative for your local area, you will be required to join, and your Local Store Advertising Contributions will become contributions to the Regional Advertising Cooperative. You and the other franchisees in the Regional Advertising Cooperative will direct the way in which the Regional Advertising Cooperative funds are spent and our process of oversight and reimbursement will be the same as for Local Store Advertising Contributions. impose required advertising contributions on future franchisees. You will not be required to join in these contributions, but you will be welcome to participate. If you do not join in those contributions, you may~~

not receive some of the advertising materials that we make available to those franchisees, although we will continue to provide the support described above

~~Up to the date of this Franchise Disclosure Document, we have never collected either Advertising Contributions or Local Store Advertising Contributions~~

Computer Requirements

We require you to use a Point of Sale (POS) system approved by us in your Loving Hut Restaurant. The POS system will calculate and track your sales, keep a tally of the items you have sold, and assist you with ordering in the correct quantities to restock your business. We will require you to provide us with sales reports generated by your POS system.

The cost of purchasing a POS system is ~~\$2,000~~900 to ~~\$3,000~~2,500. Provided that you use the POS system properly, there should be no maintenance costs associated with it, unless there is a software upgrade. At present, we are not aware of any pending software upgrades that would add to the cost stated here.

Operation Manual

We will loan you a copy of the operation manual that contains mandatory and suggested specifications, our Loving Hut Vegan Criteria, our proprietary recipes, and other information about the Loving Hut System. This manual is confidential and remains our property. You will be required to restrict access to the manual and ensure that your employees do not copy it or disclose its contents, except as authorized. We will modify the manual from time to time, but the modifications will not alter your status and rights under the Franchise Agreement. The Table of Contents for the Operation Manual is attached as Exhibit G.

TRAINING PROGRAM

Day	Subject	Hours of Classroom Training	Hours of Training On the Job	Location
1	Orientation. Meet key personnel, Overview of Loving Hut Restaurant history, Relationship between franchisor and restaurant franchisee, Define comprehensive time table for opening business, Required certification, Compliance with local, state and federal regulations, overview of support systems, website tour, etc.	8	0	Note 1
2	Office and administration. Employee Safety, Management and Leadership skills, Financing & Accounting, Records keeping & reporting, etc.	8	0	Note 1

Note 1: We currently train franchisees in Phoenix, Arizona, and San Diego, California. In the future, we may train franchisees in the San Francisco Bay Area. Depending on the availability and convenience of our training centers, you may be required to attend training in any of these locations.

We offer initial training for each franchisee and up to two restaurant employees. The trainings are conducted as needed. We do not charge a fee for this initial training, but you must pay for your and your employees' travel and living expenses, in addition to any wages for your employees who attend. Our training program covers the subjects listed in the table above. You are responsible for insuring that all subsequent managers and employees are properly trained to follow the Loving Hut System and that they comply with our strict requirements, including our most important requirement that all the food served is 100% vegan and consists of non-GMO food products.

Our training program is administered by Mr. Harry Mai and Mr. Joe ~~Tygen~~ Tuygen. Harry is our VP of Operations Manager and Director of Marketing. ~~Prior to joining the corporate office, He was served as the general manager of a for Loving Hut restaurant~~ restaurants in Arizona and Texas for over a year a combination of five years. Joe has been the chef and manager of a Loving Hut in San Diego since its opening in May 2009.

For existing franchisees, we do not require initial training, although we will provide it if you wish to attend.

ITEM 12 TERRITORY

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

You will receive a protected territory consisting of approximately 30,000 people. In most large American cities, 30,000 people correspond to an area of approximately 1-3 miles around your Loving Hut Restaurant. We do not assign an exact radius, and will instead provide you with a description of the boundary of your protected territory. The exact dimensions of your protected territory will depend on the population density around your Loving Hut. We will not grant permission for any other Loving Hut Restaurant to be established within your protected territory. In addition, we will ensure that any new Loving Hut outside of your protected territory is located far enough from your Loving Hut so that no Loving Hut is located within a half-mile of your Restaurant except with your permission. We will not modify the size of your protected territory without your permission. You must have our approval before siting your Restaurant, and you must obtain our permission to relocate.

We or other related businesses, including Loving Hut International and Ecovegan LLC, have the right to sell products bearing the Loving Hut logo and trademarks within your protected territory through alternate channels of trade, including sales of packaged food products or

non-food goods over the internet, in grocery stores and farmers' markets, through catalogs or direct sale advertising. As described below in Item 13, Loving Hut International permits certain vegan restaurants to use its ~~BE VEG GO GREEN~~ VEGAN, MAKE PEACE slogan, and there may be restaurants using this slogan within your protected territory.

You do not receive the right to establish additional franchises within your protected territory unless you sign a new franchise agreement.

ITEM 13 TRADEMARKS

We grant you the right to operate a restaurant under the name "Loving Hut" using our design mark. You may also use our other current or future trademarks to operate your restaurant, provided that we include them in our operation manual as marks approved for your use.

Loving Hut International owns the trademarks associated with the Loving Hut System. We have obtained a license agreement with Loving Hut International that gives us the exclusive right to use the "Loving Hut" trademarks in association with restaurant services in the United States. That license agreement allows us to grant you the right to operate under those marks.

The trademarks owned by Loving Hut International and licensed to us are listed below.

The following Trademark is registered on the Principal Register of the United States Patent and Trademark Office ("PTO"). This is the principal mark used by Loving Hut restaurants. All required affidavits and renewals have or will be filed for this mark.

Trademark	Registration Date	Registration Number
L S LOVING HUT BE VEG GO GREEN And Design	March 30, 2010	3,766,011
LOVING HUT	January 11, 2011	3,903,521

Loving Hut International also uses the slogan BE VEGAN, MAKE PEACE. We will also license this slogan to you. This slogan is not federally registered and does not have the same legal benefits and rights as the registered trademarks. If you use this slogan and our right to use this slogan trademark is challenged, you may have to move to an alternative slogan mark, which may increase your expenses.

Loving Hut International also permits other vegan restaurants to use its ~~BE VEG GO GREEN~~ VEGAN, MAKE PEACE slogan. However, only Loving Hut franchisees may operate under the Loving Hut name and use the Loving Hut logo in the United States.

At this time, there are no pending infringement, opposition or cancellation proceedings or material litigation involving any of the principal marks which are relevant to their use in any state.

document Financial performance information that differs from that included in Item 19 may be given only if (1) a franchisor provides the actual records of an existing outlet you are considering buying, or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets We also do not authorize our employees or representatives to make any such representations either orally or in writing If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Dr Jingwu Zhang at ~~2667 Glen Deon Court~~ 2300 Zanker Road, Suite B, San Jose, CA 95148, telephone number ~~(408) 505-5824~~ 95131, the Federal Trade Commission, and the appropriate state regulatory agencies

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

Table No 1
~~Systemwide~~System-wide Outlet* Summary**
For Fiscal years ~~2008*~~, ~~2009~~, 2013, 2014 and 20102015

Outlet Type	Year	Outlets at the start of the year	Outlets at the end of the year	Net change
Franchised	2008 2013	043	343	30
	2009 2014	343	1739	14-4
	2010 2015	1739	33+5 ***38	21-1
Company owned	2008 2013	0	0	0
	2009 2014	0	0	0
	2010 2015	0	0	0
Total Outlets	2008 2013	043	343	30
	2009 2014	343	1739	14-4
	2010 2015	1739	33+5 ***38	21-1

*Figures are for the period of July 2008 to December 2008

** Outlets opened by Loving Hut USA The rest of these outlets were approved by Loving Hut International

***These tables include outlets operating under the Loving Hut Restaurant marks, but not operating under the terms of this franchise offer

Table No 2
Transfers of Outlets from Franchisees to New Owners**
For Fiscal years ~~2008*~~, ~~2009~~, 2013, 2014 and ~~2010~~2015

State	Year	Number of Transfers
CA	2013	2
WA	2008 2014	0
	2009 2015	0
FL	2013	0
	2010 2014	1
Total	2008 2015	0
HI	2009 2013	0
	2014	0
	2010 2015	1
MA	2013	1
	2014	0
	2015	0
NJ	2013	0
	2014	0
	2015	1
PA	2013	1
	2014	0
	2015	0
Total	2013	4
	2014	1
	2015	2

*Figures are for the period of July 2008 to December 2008

**These tables include outlets operating under the Loving Hut Restaurant marks, but not operating under the terms of this franchise offer

Table No. 3
Status of Franchised Outlets***
For Fiscal years ~~2008*~~, ~~2009~~, 2013, 2014 and ~~2010~~2015

State	Year	Outlets at start of year	Outlets opened	Terminations	Non-renewals	Reacquired by Franchisor	Ceased Operations, other reasons	Outlets at end of year
AZ	2008 2013	<u>0</u> ₂	0	0	0	0	0	<u>0</u> ₂
	2009 2014	<u>0</u> ₂	<u>1</u> ₀	0	0	0	0	<u>1</u> ₂

State	Year	Outlets at start of year	Outlets opened	Terminations	Non-renewals	Reacquired by Franchisor	Ceased Operations, other reasons	Outlets at end of year
	2010 2015	42	1	0	0	0	0	23
CA	2008 2013	318	01	0	2	0	0	17
	2014	017	00	30	3	0	0	14
	2009 2015	314	70	0	01	0	0	4013
FL	2010 2013	404	5+1**0	0	0	0	0	464
FL	2008 2014	04	0	0	0	0	0	04
	2009 2015	04	40	0	0	0	0	44
GA	2010 2013	42	31	0	01	0	0	42
GA	2008 2014	02	0	0	0	0	0	02
	2009 2015	02	40	0	0	0	0	42
HI	2010 2013	42	40	0	0	0	0	2

HI	2008 2014	02	0	0	0	0	0	02
	2009 2015	02	0	0	0	0	0	02
IL	2010 2013	01	1+1**0	0	0	0	0	21
IL	2008 2014	01	0	0	0	0	0	01
	2009 2015	01	10	0	01	0	0	10
MA	2010 2013	12	0	0	0	0	0	12
MA	2008 2014	02	0	0	0	0	0	02
	2009 2015	02	0	0	0	0	0	02
NJ	2010 2013	02	20	0	0	0	0	2
NJ	2008 2014	02	0	0	0	0	0	02
	2009 2015	02	0	0	0	0	0	02
NY	2010 2013	01	1	0	0	0	0	12
NY	2014	2	0	0	1	0	0	1
	2008 2015	01	0	0	0	0	0	01
OH	2009 2013	02	10	0	0	0	0	12
OH	2010 2014	12	0	0	0	0	0	02
	2008 2015	02	0	0	0	0	0	02
OR	2009 2013	01	0	0	0	0	0	01
	2010 2014	01	1+1**0	0	0	0	0	21

PA	2008 2015	01	0	0	0	0	0	01
PA	2009 2013	01	0	0	0	0	0	01
-	2010 2014	01	1+1**0	0	0	0	0	21
TX	2008 2015	01	0	0	0	0	0	01
TX	2013	3	0	0	0	0	0	3
-	2014	3	0	0	0	0	0	3
-	2015	3	0	0	0	0	0	3
VA	2009 2013	01	10	0	0	0	0	01
	2010 2014	1	1**0	0	0	0	0	21
WA	2008 2015	01	0	0	0	0	0	01
WA	2009 2013	01	10	0	0	0	0	1
-	2010 2014	1	0	0	0	10	0	1
Total	2008 2015	01	30	0	0	0	0	31
Total	2009 2013	343	143	0	03	0	0	1743
-	2010 2014	1743	210	0	04	10	0	3839
	2015	39	1	0	2	0	0	38

*Figures are for the period of July 2008 to December 2008

** Outlets opened by Loving Hut USA The rest of these outlets were approved by Loving Hut International

***These tables include outlets operating under the Loving Hut Restaurant marks, but not operating under the terms of this franchise offer

Table No 4
Status of Company Owned Outlets
For Fiscal years 20082013, **2009**2014 and **2010**2015

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
TOTAL	2008 <u>2013</u>	0	0	0	0	0	0
	2009 <u>2014</u>	0	0	0	0	0	0
	2010 <u>2015</u>	0	0	0	0	0	0

Table No 5
Projected Openings
As of December 31, 20102015

State	Franchise Agreements Signed but Outlet not Open	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
CA	2	1	0
INAZ	0	1	0
ORCA	0	1	0
NJ	1	0	0
NY	0	1	0
OH	1	0	0
VA	1	0	0
Total	5	4	0

Franchisee Groups

There are no franchisee groups or associations at present

ITEM 21 FINANCIAL STATEMENTS

The ~~reviewed~~audited financial statements for the fiscal year~~years~~ ended December 31, ~~2010~~2013, December 31, 2014 and December 31, 2015, are attached as Exhibit A Also attached are the unaudited financials ~~for~~to within the ~~period ended March 31, 2011~~last 90 days The fiscal year end of Loving Hut is December 31

ITEM 22
CONTRACTS

The following agreements are attached as exhibits to this Franchise Disclosure Document

Exhibit B	Franchise Agreement
Exhibit H	Owner's Guaranty and Assumption of Franchisee's Obligations
Exhibit I	Spousal Consent
Exhibit J	Electronic Debit Authorization

ITEM 23
RECEIPTS

Two copies of an acknowledgment of your receipt of this Disclosure Document appear as Exhibit K. Please sign and date one copy and return it to us. Retain the other copy for your records.

**EXHIBIT B TO THE
LOVING HUT, INC
DISCLOSURE DOCUMENT
FRANCHISE AGREEMENT**

**LOVING HUT
FRANCHISE AGREEMENT
(~~PIONEER~~)**

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EXHIBITS

Exhibit A	The Marks
Exhibit B	Territory
Exhibit C	Electronic Debit Authorization

LOVING HUT

FRANCHISE AGREEMENT

This Franchise Agreement ("this Agreement") is made by and between Loving Hut, Inc , a California corporation with principal offices at ~~3565 Corsica Court, San Jose~~ 858 E Comstock Ave , Glendora, California, 9514891741 ("FRANCHISOR"), and ~~Loving Hut San Francisco, Inc.,~~ with principle offices located at ~~845 Market Street, Food Emporium #12, San Francisco, CA 94103~~ ("FRANCHISEE")

FRANCHISOR offers franchises for the establishment and operation of healthy vegan restaurants under the Marks and System as defined below ("Restaurants") under license from Loving Hut International Limited ("LHI"), which is the owner of the Marks,

FRANCHISEE is a Vegan and wishes to operate a franchise Restaurant or Restaurants that will utilize the Marks and the System subject to the terms and conditions of this Agreement,

Either FRANCHISOR or LHI previously granted FRANCHISEE a franchise and license to use the System and the Marks for the establishment and operation of a Restaurant or Restaurants

The parties now wish to modify the Loving Hut Agreement previously executed, or execute a written agreement for the first time if no prior written agreement existed, in order to clearly establish the relationship between the parties and their respective rights and obligations

For and in consideration of the mutual promises and covenants herein contained, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows

1 DEFINITIONS

1.1. Defined Terms.

The following terms capitalized in this Agreement will have the meanings provided below

"Agreement" means this Agreement and all exhibits hereto

"Approved Products" means the recipes, types of food and other products approved by FRANCHISOR for offer and sale by the Franchised Restaurant, which may vary by market area and according to other circumstances and which can be changed by FRANCHISOR from time to time

"Approved Suppliers" means the food vendors and other suppliers of Approved Products that are expressly approved by FRANCHISOR, which may vary by market area and

“Improvements” include any enhancements, adaptations, derivative works, modifications, techniques, processes, forms, systems or methods, including but not limited to new menu items, recipe changes, decor enhancements or other innovations based on or developed in whole or in part upon or from any part of the Loving Hut System, trade secrets or any intellectual property owned by FRANCHISOR or any of its affiliates

“LHI” means Loving Hut International Limited, a British Virgin Islands limited liability company and owner of the Marks

~~“Local Store Contribution” means the payments made by the FRANCHISEE which are held by the FRANCHISOR and reimbursed to the FRANCHISEE when the FRANCHISEE incurs approved expenses for advertising, marketing or promotion of FRANCHISEE’s Restaurant~~

“Loving Hut” when used as a modifier refers to something or someone identified by or associated with the Marks, the System or the network of franchisees and Company Restaurants operating under the Marks

“Loving Hut Methods” means the proprietary methods and techniques for operating Restaurants, including those used in marketing Approved Products and all intellectual property rights of FRANCHISOR or LHI relating to these methods and techniques

“Loving Hut Vegan Criteria” means the specific restrictions placed by FRANCHISOR on the foods that FRANCHISEE may offer in the restaurant, including the requirements that all food be Vegan, non-GMO (genetically modified organisms), and from sustainable sources

“Marks” means the trademarks and service marks listed on Exhibit A and all other trademarks, service marks, logos, commercial symbols, trade dress and other marks now or hereafter licensed to or owned or used by FRANCHISOR in connection with the System as may be modified by FRANCHISOR from time to time The Marks are owned by Loving Hut International

“Network” means the aggregate of Loving Hut Restaurants operating under the Marks and System, including those operating under franchise or license from FRANCHISOR and all Company Restaurants

~~“Network Advertising Fees” means the fees payable to FRANCHISOR under Section 9.1 of this Agreement for national advertising by FRANCHISOR~~

“Operating Principal” means an equity owner of FRANCHISEE who will manage the Franchised Restaurant and who is authorized to act for FRANCHISEE and communicate with FRANCHISOR in relation to the Franchised Restaurant

“Operating Year” means one of the twelve (12) month periods beginning on the date the Restaurant opens for business and ending on each anniversary of that date during this Agreement

“Operations Manual” means the manual or manuals provided by FRANCHISOR to FRANCHISEE in such paper or electronic format or formats as FRANCHISOR determines in its sole discretion and containing information, standards, specifications, requirements, policies, guidelines and instructions about some or all of the following subjects, among others, as determined and modified by FRANCHISOR from time to time: operations and procedures, use of the Marks, Approved Products and Approved Suppliers, Equipment, recipes and menus, appearance and maintenance of the Premises, sales goals and business plans, financial and operational reports, accounting and bookkeeping, customer service standards, business forms and formats, marketing, advertising and promotions and other matters relating to the establishment, operation and marketing of Loving Hut Restaurants

“Premises” means any location within the Territory approved by FRANCHISOR from which the Franchised Restaurant will be operated

~~“Regional Advertising Cooperative” means the group of franchisees within a geographic area who contribute to the same advertising fund for regional advertising, if FRANCHISOR establishes such a system, as described in section 9.3~~

“Restaurant” means a vegan restaurant that operates under the System and the Marks

“Royalties” means the royalties payable by FRANCHISEE to FRANCHISOR in accordance with Section 8.2 of this Agreement

“System” means the techniques, methods, procedures, systems, forms, programs, devices, concepts, formats and know-how owned and developed by FRANCHISOR or LHI, as may be modified from time to time by FRANCHISOR, for the operation of restaurants operating under the Marks, including but not limited to the Loving Hut Methods

“Territory” means the geographic area or areas described in Exhibit B attached hereto in which FRANCHISEE must locate and operate the Franchised Restaurant and focus marketing efforts for the Franchised Restaurant, and in which FRANCHISEE will have the rights set forth in Section 2.2 below, subject to FRANCHISOR’s reserved rights as set forth in Section 2.3

“Vegan” means a plant-based diet or refers to a person who follows such a diet, and specifically excludes animal meats and animal-derived foods, including but not limited to any part of an animal, dairy, eggs, honey and any foods that are derived from or include such ingredients

that if FRANCHISOR grants FRANCHISEE rights to multiple Restaurants in the Territory, FRANCHISEE shall open those Restaurants are required in Exhibit B to develop the Territory

(b) Once open for business, the Restaurant must remain in operation FRANCHISEE may not close any Restaurant without the prior written approval of FRANCHISOR Any relocation of a Restaurant must be within the Territory, may be undertaken only after notice to FRANCHISOR and must comply with all of the provisions of Section 5 above concerning the Premises and pre-opening requirements

6 2 Minimum Period of Operation

FRANCHISOR does not prescribe exact hours of operation However, FRANCHISEE must open the Franchised Restaurant to the public at least five days per week unless consent to operate for a lesser period is granted by FRANCHISOR in writing

6 3 Required Kitchen Equipment

FRANCHISEE shall at its sole expense provide all necessary kitchen equipment specified in the Operations Manual, and ensure that it is operational

6 4 Website -

(a) FRANCHISEE must utilize electronic mail and other features available through FRANCHISOR website and/or Intranet maintain and use Equipment and Internet access sufficient to utilize the website and/or Intranet as prescribed by FRANCHISOR FRANCHISEE shall abide by any terms of use that apply to FRANCHISOR's website or any Intranet FRANCHISOR may develop FRANCHISOR can require use of Internet service meeting certain standards or a designated Internet service provider FRANCHISOR may modify its website or other on-line services, or adopt new ones and require FRANCHISEE to use them and modify its Equipment and service providers as needed

(b) FRANCHISEE may post approved content to the website provided by FRANCHISOR FRANCHISEE is not permitted to set up or operate any other website with Loving Hut trademarks and logos

6 5 Approved Products; Suppliers, Vegan Criteria

(a) FRANCHISEE may offer and sell Approved Products through the Franchised Restaurant A cornerstone of the Loving Hut System is its association with healthy, delicious vegan food ~~that is good for the environment~~ All food must meet the Loving Hut Vegan Criteria and promote the brand's reputation and core values FRANCHISOR may modify what constitutes Approved Products in its discretion, provided the modification does not fundamentally change the nature of the Franchised Restaurant

(b) FRANCHISOR may designate or approve specific suppliers (including FRANCHISOR or an affiliate) to provide products to all or part of the Network FRANCHISEE will use FRANCHISOR's designated or approved suppliers as applicable to

8.4 Inspection, Audits and Records.

(a) FRANCHISOR or its authorized representatives have the right to visit and inspect the Franchised Restaurant and each Restaurant to ensure compliance with all operational standards and other requirements at any reasonable time

(b) The exercise by FRANCHISOR of the right to audit or the acceptance by FRANCHISOR of any statement or payment shall be without prejudice to any of FRANCHISOR's rights or remedies and shall not bar FRANCHISOR from thereafter disputing the accuracy of any payment or statement, and FRANCHISEE shall remain fully liable for any balance due under this Agreement

8.5 Interest on Late Payments and Late Fees

In addition to any other remedy available to FRANCHISOR, if any amount due under this Agreement is not timely paid for any reason (i) interest shall accrue and be payable on such unpaid principal amount from and after the date on which the same became due, at three percent (3.0%) above the then-current Prime Rate, or the highest legal rate if lower, and (ii) FRANCHISOR may assess a late fee of Fifty Dollars (\$50.00) per month for every payment that is overdue or refused by FRANCHISEE's bank on account of insufficient funds

8.6 Incentives for Early Payments

(a) If FRANCHISEE pays the royalty fees for a whole year (12 months) at once, the total amount is Three Thousand Dollars (\$3,000.00 ~~2,400~~) as compared with $\$270.00 \times 12 = \$3,240.00$ ~~\$3,000.00~~

(b) ~~If the monthly royalty fee is paid a month ahead, the amount is reduced to \$260.00 from \$270.00. However, it needs to be received by the 10th of the previous month. For example, if the March royalty fee is paid and received by February 10th, the amount of the royalty fee for March will be \$260.00.~~ FRANCHISEE pays the royalty fees for a whole year (12 months) in two installments, by January 10th and by July 10th, each payment is \$1300 and the total amount is thus $2 \times \$1300 = \2600.00 as compared with $\$250 \times 12 = \3000.00

8.7 Methods of Payment

For all franchise fees and any other payments due from FRANCHISEE, FRANCHISOR may designate a required method of payment, including payment by electronic funds transfer from a designated bank account of FRANCHISEE to a designated bank account of FRANCHISOR initiated by FRANCHISOR. If requested by FRANCHISOR, FRANCHISEE shall execute the form of Electronic Debit Authorization attached to this Agreement as Exhibit C and/or any other forms or agreements required by banking institutions to authorize transfers initiated by FRANCHISOR. FRANCHISEE is responsible for having sufficient funds on deposit to cover all electronic funds transfer or checks drawn on FRANCHISEE's account. All charges imposed by FRANCHISEE's bank for funds transfers shall be paid by FRANCHISEE. FRANCHISEE shall be liable to FRANCHISOR for

any bank charges assessed to FRANCHISOR due to FRANCHISEE's account having insufficient funds to cover any check or electronic funds transfer to FRANCHISOR or for any "stop payment" or other refusal to honor or pay a check or funds transfer to FRANCHISOR

8.8 Inflation Adjustment

Any fees or charges stated as fixed dollar amounts in this Agreement are subject to inflation adjustment by FRANCHISOR. Adjustments may be made no more than once each year. The increase shall be three percent (3.0%) annually, or in proportion to the changes in the Consumer Price Index (U.S. Average, all items) maintained by the U.S. Department of Labor (or any successor index that FRANCHISOR designates), whichever is greater, and shall be measured from the Effective Date or, if prior adjustments have been made, since the previous date an inflation adjustment was made by FRANCHISOR.

9. ADVERTISING AND PROMOTION

9.1 Advertising for the System.

FRANCHISEE is not required to contribute to the advertising fund for the System. FRANCHISEE understands and acknowledges that FRANCHISOR may elect to use the System's advertising funds collected from other franchisees in the System to benefit Restaurants other than those operated by FRANCHISEE.

9.2 Local Store Advertising

FRANCHISEE is not required to advertise the Restaurant, however, FRANCHISOR strongly encourages it to do so. FRANCHISEE's advertising shall be governed by the obligations in Section 6.10 of this Agreement.

~~9.3 Regional Advertising Cooperative~~

~~In the event that FRANCHISOR establishes a Regional Advertising Cooperative, FRANCHISEE shall not be required to join. Further, FRANCHISEE shall not be permitted to join unless FRANCHISEE agrees to pay at the rate of Two Hundred Dollars (\$200.00) per month or one percent (1%) of Gross Revenues, whichever is greater. In the event that FRANCHISEE begins contributing and joins the Regional Advertising Cooperative, FRANCHISEE and the other owners of Loving Hut Restaurants in the same region will be responsible for jointly agreeing on advertising for the region. FRANCHISOR shall not direct the expenditure of these funds and has no veto power over expenditures, but in the event that the owners in any Regional Advertising Cooperative are unable to work together, FRANCHISOR has discretion to dissolve the Regional Advertising Cooperative and return the region to a Local Store Advertising Contribution model.~~

10. CONFIDENTIAL INFORMATION AND NONCOMPETITION

10.1. Confidential Information

(a) FRANCHISEE will have access to certain confidential information ("Confidential Information") concerning FRANCHISOR, the System, other Loving Hut

15 13 Notices

All notices given under or in connection with this Agreement shall be in writing and shall be sent by reliable overnight courier such as Federal Express or by telefacsimile and email with the original to follow immediately by reliable overnight courier, and sent to the principal business address of the receiving party, the current addresses being noted as follows

If to ~~FRANCHISEE~~

If to FRANCHISEE

Fax () _____

Email _____

If to FRANCHISOR

LOVING HUT INC

858 E Comstock Ave

Glendora, California 91741

~~2667 Glen Doon Court~~

~~San Jose, CA 95148~~

Fax () _____

Email -USA@lovinghut us

16 ACKNOWLEDGMENTS

By signing this Agreement, FRANCHISEE makes the following representations

FRANCHISEE has been a Vegan for at least three (3) months prior to executing this Agreement, is currently a Vegan as that term is defined in this Agreement, and intends to maintain a Vegan lifestyle including maintaining a strictly Vegan diet for the duration of this Agreement

FRANCHISEE has thoroughly read this Agreement and the Franchise Disclosure Document provided to FRANCHISEE and has had an opportunity to consult with legal

counsel and ask FRANCHISOR about any provision that FRANCHISEE has not fully understood

FRANCHISOR has provided to FRANCHISEE a copy of this Agreement and all related documents FRANCHISEE must execute, and that these documents were fully completed, and provided by FRANCHISOR at least seven (7) business days prior to the signing of said agreements

FRANCHISEE understands and accepts the terms, conditions and covenants contained in this Agreement as reasonable and necessary to maintain FRANCHISOR's high standards of quality and service, and to maintain the uniformity of those standards at all Restaurants in the Network, and to protect and preserve the goodwill of the Marks

FRANCHISEE has conducted an independent investigation of the investment in a Loving Hut franchise and has conducted an independent investigation of the market in which the Restaurant will operate

FRANCHISEE understands that the Franchised Restaurant involves business risk, and that the success of this business venture is primarily dependent on FRANCHISEE's business abilities and efforts, including FRANCHISEE's ability to develop successful marketing techniques and customer relations

FRANCHISEE has not received or relied on any guaranty, express or implied, as to the revenues, profits, or likelihood of success of the Franchised Restaurant FRANCHISEE acknowledges that there have been no representations by FRANCHISOR or its employees, or agents that are not contained in, or consistent with, the statements made in the Uniform Franchise Disclosure Document or with the provisions of this Agreement

FRANCHISEE acknowledges that all owners, members, executives, employees and agents of FRANCHISOR have acted and will act only in a representative capacity in relation to this Agreement and that Agreement is being made by FRANCHISOR and not by any such individuals in a personal capacity

All information that FRANCHISEE has provided to FRANCHISOR in any franchise application, financial statements or other documents FRANCHISEE has supplied to FRANCHISOR to substantiate its qualifications to become a franchisee are accurate and no misrepresentations have been made therein

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives, as set forth below

FRANCHISOR

By _____

Name Jingwu Zhang

Title VP

Date _____

FRANCHISEE

By _____

Name _____

Title _____

Date _____

FRANCHISEE

By _____

Name _____

Title _____

Date _____

FRANCHISEE

By _____

Name _____

Title _____

Date _____

FRANCHISOR

By _____

Name Jingwu Zhang

Title VP

Date _____

FRANCHISEE

By _____

Name _____

Title _____

Date _____

FRANCHISEE

By _____

Name _____

Title _____

Date _____

FRANCHISEE

By _____

Name _____

Title _____

Date _____

**EXHIBIT C TO THE
LOVING HUT, INC.
DISCLOSURE DOCUMENT**

**LIST OF STATE ADMINISTRATORS
AND
AGENTS FOR SERVICE OF PROCESS**

We intend to register this Disclosure Document as a “franchise” in some or all of the following states, in accordance with the applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in these states:

CALIFORNIA Commissioner of Corporations Department of Corporations <u>Business Oversight</u> 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 876-7500 Toll free (866) 275-2677	MICHIGAN Consumer Protection Div , Franchise Section Attn Kathryn A Barron 670 G Mennen Williams Building Lansing, Michigan 48913 (517) 373-7117
HAWAII Commissioner of Securities of the State of Hawaii Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	MINNESOTA Commissioner of Commerce Department of Commerce 85 7 th Place East, Suite 500 St Paul, Minnesota 55101 (651) 296-4026
ILLINOIS Robert Tingler, Esq Chief, Franchise Division 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	NEW YORK Bureau of Investor Protection and Securities New York State Department of Law 120 Broadway, 23rd Floor New York, New York 10271 (212) 416-8211
INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	NORTH DAKOTA North Dakota Securities Department 600 Boulevard Avenue, State Capitol Fifth Floor, Dept 414 Bismarck, North Dakota 58505-0510 (701) 328-4712
MARYLAND Office of the Attorney General Securities Division 200 St Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	RHODE ISLAND Securities Division Department of Business Regulation John O Pastore Center Bldg 69, First Floor 1511 Pontiac Avenue Cranston, RI 02920 (401) 277-3048

**EXHIBIT D TO THE
LOVING HUT, INC
DISCLOSURE DOCUMENT**

STATE ADDENDA

Hawaii Disclosure

The following paragraphs are to be added in the state cover page

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

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

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

The name and address of the Franchisor's agent in this state authorized to receive service of process is Commissioner of Securities, Department of Commerce and Consumer Affairs, Business Registration Division, Securities Compliance Branch, 335 Merchant Street, Room 203, Honolulu, Hawaii 96813

In recognition of the requirements of the Hawaii Franchise Investment Law, Hawaii Rev Stat §§ 482E, et seq, the Franchise Disclosure Document for FRANCHISOR in connection with the offer and sale of franchises for use in the State of Hawaii shall be amended to include the following

1 Item 20 "List of Outlets," shall be amended by the addition of the following paragraph

This proposed registration is effective/exempt from registration or will shortly be on file in California, Hawaii, ~~Illinois~~ New York, ~~Virginia~~, and Washington No states have refused, by order or otherwise, to register these franchises No states have revoked or suspended the right to offer these franchises The proposed registration of these franchises has not been involuntarily withdrawn in any state

2 Each provision of this Addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Hawaii Franchise Investment Law, Hawaii Rev Stat §§ 482E, et seq, are met independently without reference to this Addendum to the Disclosure Document

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

3 Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by deleting "d", "j", "w" and the following new "d", "j", "w" shall be substituted in lieu thereof

Provision	Section in Franchise Agreement	Summary
d Termination by you	Not applicable	Pursuant to New York General Business Law, the franchisee may terminate the Agreement upon any grounds available by law
j Assignment of contract by us	11 1	Fully assignable by us No assignment will be made except to an assignee who, in Franchisor's judgment, is willing and able to assume the Franchisor's obligation under the Franchise Agreement
w Choice of law	15 8	The law of California The foregoing choice of law should not be considered as a waiver of any right conferred upon the franchisor or the franchisee by the General Business Law of the State of New York, Article 33

4 There are circumstances in which an offering made by us would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the state of New York However, an offer or sale is deemed made in New York if the franchisee is domiciled in or the franchise will be opened in New York We are required to furnish a New York prospectus to every prospective franchisee ~~whothat~~ is protected under the New York General Business Law, Article 33

**EXHIBIT E TO THE
LOVING HUT, INC
DISCLOSURE DOCUMENT**

LIST OF ACTIVE FRANCHISEES

LIST OF ACTIVE FRANCHISEES

STATE	FRANCHISEE	TELEPHONE NUMBER
AZ	Ms Darline Truong 3239 E Indian School Rd Phoenix, AZ 85018	602 264 3480
AZ	Ms Ngan Tran Quan Yin Family LLC 3515-A W Union Hills Drive, <u>Suite # 123</u> Glendale, AZ 85308	602 978 0393
CA <u>AZ</u>	Mr Ms Minh Nguyen <u>Ngan Tran</u> Almighty Loving Hut Inc 621405 W Main Street <u>University Dr</u> Alhambra, CA 90801 <u>Suite #101</u> Tempe, AZ 85281	626 289 26844 <u>80-968-4096</u>
CA	Mr Lawrence Liang <u>Jingwu Zhang</u> <u>Vegan Express Corporation</u> <u>2855 Stevens Creek Blvd, 2459</u> Loving Hut Brea Inc Brea Mall, Food Court Store 2163 Brea <u>Santa Clara, CA 92821</u> <u>95050</u>	714 990 22614 <u>08 615 1422</u>
CA	Mr Chinh Nguyen <u>Tuan Le</u> Noble Loving, Inc 8355 Elk Grove Blvd , Suite 88 Elk Grove, CA 95758	916 478 9590
CA	Mr Troy Tran 1495 N Van Ness Ave Fresno, CA 93728	559 237 4052
CA	Ms Monica Ta 19891 Brookhurst St Huntington Beach, CA 92646	714 962 6449
CA	Mr CJ Chien Inbliss Corporation Contact Thien Lu 516 Barber Lane Milpitas, CA 95035	408 943 0250
CA	Ms Grace Wang <u>Aiely Liao</u> San Jose Loving Hut Corp 925 Blossom Hill Rd #1746 San Jose, CA 95123-1294	408 229 2795

STATE	FRANCHISEE	TELEPHONE NUMBER
CA	Mr Peter Dang 237 S Tustin Street Orange, CA 92866	714 464 0544
CA	Ms Mai Chem Le <u>Phuong Nguyen</u> Loving Hut USA Inc, 27522 Antonio Pkwy , P2, Ladera Ranch, CA 92694	949 365 1077
CA	Divine Light Corporation Contact Lorna Inocencio 165 University Ave Palo Alto, CA 94301	650 321 5588
CA	Mr Joe <u>Tuyen Huynh</u> Be Veg Loving Hut, LLC 1905 El Cajon Blvd San Diego, CA 92104	619 683 9490
CA	Ms Lien Hoang Loving Hut Vegan World, Inc 524 Irving St San Francisco, CA 94122	415 731 1957
CA	Ms Yvonne Chow 1365 Stockton St San Francisco, CA 94133	415 362 2199
CA	Mr David Pham 865845 Market Street Food Emporium #12 San Francisco, CA 94103	415 975 3888
CA	Mr Manh Huynh 3500 Stockton Blvd Sacramento, CA 95820	916 451 6842
CA	Mr Haris Tuhuteru Thie 903-B West Foothill Blvd Upland, CA 91786	909 982 3882
<u>CA</u>	<u>Mr Charles Liang</u> <u>175 North Indian Hill Blvd</u> <u>Building A 102</u> Claremont, CA 91711	<u>909 621 1668</u>
<u>CA</u>	<u>Scripps Mesa Capital, LLC</u> <u>Mr Ted Wang</u> <u>9928 Mira Mesa Blvd</u> San Diego, CA 92131	<u>858 578 8885</u>

STATE	FRANCHISEE	TELEPHONE NUMBER
FL	Mr Toan Nguyen Veganeers LLC 1918 Del Prado Blvd S , Ste 3 Cape Coral, FL 33990	239 424 8433
FL	Ms Brenna Tu Loving Hut of SWFL, Inc 975 Pine Ridge Road Naples, FL 34108	239 254 9490
FL	Mr David Tran <u>Ms Nhuyen Dao</u> 2101 E Colonial Drive Orlando, FL 32803	407 894 5673
FL	MsMr Xianying Wei <u>George Le</u> Daotech LLC 1905 E Fletcher Ave , Tampa, FL 33612	813 977 7888
GA	Ms Tammy Chiu 6385 Spalding Drive, Suite E Norcross, GA 30092	678 421 9191
GA	MrMs Liem Pham <u>Laping Le</u> 2700 Town Center Dr , Suite 1A Kennesaw GA 30144 <u>220 Hammond Dr NE</u> Suite #302 Sandy Springs, GA 30328	770 429 0666 <u>404 941 7992</u>
HI	Mr Neil Pham <u>Sony Van Le</u> Loving Hut Hawaii LLC 1614 South King St Honolulu, HI 96826	808 626 5626
HI	Ms- Vicky Zhu Eden on Earth Food Service <u>Celestial Vegan</u> LLC 1102 Pensacola Street <u>St</u> Honolulu, HI 96814	808 626 5626
IL	Alice & Friends Food Corp Contact Ms Ha <u>Rim Lee</u> 5812 North Broadway Chicago, IL 60660	773 275 8797
MA	Mr Ty Ngo 415 Chandler St Worcester, MA 01602;	508 459 0367

STATE	FRANCHISEE	TELEPHONE NUMBER
MA	Mr Anh Kyle Hoang-Nguyen 56 Hamilton St Worcester, MA 01604	508 831 1322
NJ	<u>Dr Xianying Wei</u> Loving Hut, New Jersey, LLC Contact Mr Sidney Sit 538 Rt 10 Ledgewood, NJ 07852	862 251 4611
NY NJ	Ms Lisa Wang Christine Hsieh* <u>952 State Route 34 Store 6</u> <u>Matawa, NJ 07747</u> <u>This location will be closed on August 31,</u> <u>2016 A termination agreement is being</u> <u>signed</u> Loving Hut New York, LLC 348 7th Avenue New York City, NY 10001	212 760 19007 <u>32 970 6129</u>
NY	Mrs Lisa Wang <u>Loving Hut Williamsburg, Inc</u> <u>76 Bushwick Avenue</u> Brooklyn, NY 11211	<u>718 388 7567</u>
OH	Ms Mr YoungLu Vu Loving Cafe 6227 Montgomery Rd Cincinnati, OH 45213	513 731 2233
OH	Ms Mr Jody PeaghOyungerel Galsan <u>6569 & 6571 East Livingston Ave</u> <u>Artichoke JJ, LLC</u> <u>2700 Miamisburg Centerville Rd</u> Dayton Reynoldsburg, OH 4545943068	<u>937 435 56406</u> <u>14 863 0823</u>
PA	Ms Mr Mingqing ZhaiPing Nieh 742 South 1239 SW Jefferson St Philadelphia, PA 19147 Portland, OR 97201	<u>215 454 28985</u> <u>03 248 6715</u>
PA	Mr B Minh Tran 5474 Campbell Run Road Pittsburgh, PA 15205	412 787 2727
TX	Mr Phu Voong 451 4519 Matlock Rd # <u>Ste</u> 123 Arlington, TX 76018	<u>703 942 56228</u> <u>17 472 0550</u>

STATE	FRANCHISEE	TELEPHONE NUMBER
TX	<u>Mr Harry Mai*</u> Taxes Loving Hut, LLC Contact Ms Van Le 2825 S Kirkwood Rd Suite 100 Houston, TX 77082, <u>The location was transferred to Ms Van Le</u> <u>on March 26, 2016</u>	281 531 8882
<u>TX</u>	<u>Ms Juxiang Zhang*</u> <u>14925 Midway Rd, Suite 102</u> <u>Addison, TX 75001</u> <u>The location was transferred to Mr Tuan</u> <u>Nguyen on May 1, 2016</u>	<u>972 980 1840</u>
<u>VA</u>	<u>Ms Anh Mai Ly</u> <u>Mr Vincent Hai Nguyen</u> <u>2840-2842 Rogers Drive</u> <u>Falls Church, VA 22046</u>	<u>703 942 5622</u>
WA	<u>Mr Victor Huynh</u> 12261228B S Jackson St Seattle, WA 98055 <u>98144</u>	206 299 2219

**EXHIBIT F TO THE
LOVING HUT, INC
DISCLOSURE DOCUMENT**

LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM

~~The contact information of the previous owner of Loving Hut Seattle is~~
The following franchisees have left the system
since January 1, 2013

Mr Hoang Minh Nguyen Alhambra, CA outlet
621 W Main Street
~~13268 Westridge Dr NW~~
~~Silverdale, WA 98383~~
~~Telephone 323 314 0777~~
Alhambra, CA 90801
dongviqy2013@yahoo com

~~Mr Ms Patrick Nguyen Kim Le~~
19891 Brookhurst St
Huntington Beach, CA 92646

Ms Mingqing Zhai
538 Rt 10
Ledgewood, NJ 07852
mingqingzhai@yahoo com

Mr Minh Lam San Francisco Chinatown outlet
1365 Stockton St
San Francisco, CA 94133
415 632 7530

Tsung-Li Yu Honolulu-King St
1614 South King St
Honolulu, HI 96826
808 255 9146

Mr S Y Lee Chicago Outlet
5812 North Broadway
Chicago, IL 60660

Harry Mai Houston, TX outlet*
2825 S Kirkwood Rd Suite 100
Houston, TX 77082
Harrymai@lovinghut us
Left the location on March 23, 2016

Ms Juxiang Zhang Addison, TX outlet*
14925 Midway Rd, Suite 102
Addison, TX 75001
~~Email patricknghenguyenkous68@yahoo com~~
Left the location on April 30, 2016

Ms Chistine Hsiu Matawan, NJ outlet*

952 State Route 34 Store 6

Matawa, NJ07747

hsieh christine@yahoo com

This location will be closed on August 31, 2016

~~EXHIBIT J~~
~~TO FRANCHISE DISCLOSURE DOCUMENT~~
~~Electronic Debit Authorization~~

Electronic Debit Authorization
(Authorization Agreement for Pre-Authorized Payments Via ACH Debit
Originations)

FRANCHISEE NAME _____

FEIN _____

FRANCHISE ("I" or "We") hereby authorizes Loving Hut Inc. ("COMPANY"), to initiate debit entries to my (our) checking account indicated below in the depository named below, hereinafter called DEPOSITORY, to debit the same to such account.

DEPOSITORY NAME _____ CITY & STATE _____

ABA/TRANSIT NO. _____ ACCOUNT NO. _____

~~This authorization is to remain in full force and effect until the underlying obligations per the Franchise Agreement between FRANCHISEE and COMPANY and have been satisfied in full or released in writing by COMPANY.~~

~~This authorization further confirms my agreement that that this authorization shall apply to any and all Depositories and Bank Accounts with which I/we open during the term of the Franchise Agreement and any renewals. Without limiting the generality of the foregoing, I/we understand that if I/we close any bank account, I/we are obligated to immediately, (i) notify COMPANY thereof in writing, (ii) establish another bank account, and (iii) execute and deliver to COMPANY all documents necessary for COMPANY to begin and continue making withdrawals from such depository/bank account by ACH debiting or other electronic means. I/we specifically agree and declare that this Authorization shall be the only written authorization needed from me/us in order to initiate debit entries/ACH debit originations to my/our bank account(s) established with any Depository in the future.~~

NAME _____

Signature _____

Dated _____

Or for business entity franchisee

By _____

Dated _____

As Its _____

Federal Tax ID # or SS# _____

**EXHIBIT KJ TO THE
LOVING HUT, INC
DISCLOSURE DOCUMENT**

RECEIPTS

**RECEIPT
(YOUR COPY)**

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain English. Read this disclosure document and all agreements carefully. If Loving Hut, Inc. offers you a franchise, we must provide this disclosure document to you fourteen (14) calendar days before you sign a binding agreement or make a payment to us or an affiliate in connection with the proposed franchise sale except

~~Under Illinois or Iowa law, if applicable, we must provide this disclosure document to you at the earliest of~~

- ~~1- The first personal meeting to discuss our franchise, or~~
- ~~2- Fourteen calendar days before signing of a binding agreement, or~~
- ~~3- Fourteen calendar days before payment to us~~

If we offer you a franchise subject to the franchise laws of Indiana, ~~or Michigan, Washington, or Wisconsin~~, we must provide this disclosure document to you by the earliest of

- 1 Ten business days before signing of a binding agreement, or
- 2 Ten business days before payment to us, or
- 3 Fourteen calendar days before signing a binding agreement or making a payment to us

If we offer you a franchise subject to the franchise laws of ~~Oklahoma, New York, or South Dakota~~ Oklahoma, we must provide this disclosure document to you by the earliest of

- 1 The first personal meeting to discuss our franchise, or
- 2 Ten business days before signing of a binding agreement, or
- 3 Ten business days before payment to us, or
- 4 Fourteen calendar days before signing a binding agreement or making a payment to us

If Loving Hut, 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 your state agency

The name, principal address and telephone number of each franchise seller offering the franchise

Name	Name
Address	Address
Address	Address
Phone	Phone

Issuance Date	July 14 <u>August 22, 2011</u> 2016	FTC, California, Hawaii, Illinois, New York, Virginia, and Washington
Effectiveness Date	July 14, 2011	FTC
Effectiveness Date	Pending	California
Effectiveness Date	Pending	Hawaii
Effectiveness Date	Pending	Illinois
Effectiveness Date	Pending	New York
Effectiveness Date	Pending	Washington

Our agents for service of process are listed in Exhibit C of the Disclosure Document

This Disclosure Document includes the following exhibits

Exhibit A	Financial Statements
Exhibit B	Franchise Agreement
Exhibit C	List of State Administrators and Agents for Service of Process
Exhibit D	State Addenda
Exhibit E	List of Active Franchisees
Exhibit F	List of Franchisees Who Have Left the System
Exhibit G	Table of Contents of System Manual
Exhibit H	Owner's Guaranty and Assumption of Franchisee's Obligations
Exhibit I	Spousal Consent
Exhibit J	Electronic Debit Authorization
Exhibit K	Receipts

Date _____	Signature _____	Printed Name _____
Date _____	Signature _____	Printed Name _____

KEEP THIS COPY FOR YOUR RECORDS.

**ITEM 23
RECEIPT
(OUR COPY)**

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain English. Read this disclosure document and all agreements carefully. If Loving Hut, Inc. offers you a franchise, we must provide this disclosure document to you fourteen (14) calendar days before you sign a binding agreement or make a payment to us or an affiliate in connection with the proposed franchise sale except

~~Under Illinois or Iowa law, if applicable, we must provide this disclosure document to you at the earliest of~~

- ~~1- The first personal meeting to discuss our franchise, or~~
- ~~2- Fourteen calendar days before signing of a binding agreement, or~~
- ~~3- Fourteen calendar days before payment to us~~

If we offer you a franchise subject to the franchise laws of Indiana, or Michigan-~~Washington, or Wisconsin~~, we must provide this disclosure document to you by the earliest of

- 1 Ten business days before signing of a binding agreement, or
- 2 Ten business days before payment to us, or
- 3 Fourteen calendar days before signing a binding agreement or making a payment to us

If we offer you a franchise subject to the franchise laws of ~~Oklahoma, New York, or South Dakota~~ Oklahoma, we must provide this disclosure document to you by the earliest of

- 1 The first personal meeting to discuss our franchise, or
- 2 Ten business days before signing of a binding agreement, or
- 3 Ten business days before payment to us, or
- 4 Fourteen calendar days before signing a binding agreement or making a payment to us

If Loving Hut, 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 your state agency

The name, principal address and telephone number of each franchise seller offering the franchise

Name	Name
Address	Address
Address	Address
Phone	Phone

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Date _____	Signature _____	Printed Name _____
Date _____	Signature _____	Printed Name _____

Please sign this copy of the receipt, date your signature, and return it to

Name _____

Address _____

Telephone Number _____