FRANCHISE DISCLOSURE DOCUMENT

The franchised business is a cafe featuring milk teas, fusion teas, boba teas, slushies, and desserts.

The total investment necessary to begin operation of a One Tea Store franchise ranges from $193,000 to $351,000 [from item 7]. This includes a $30,000 initial franchise fee that must be paid to the franchisor; and $6,000 to $8,000 of opening inventory that must be paid to the franchisor.

The franchised business's fiscal year tracks the calendar year and one reporting period is one calendar month.

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 payments 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 Oneness City, Inc. at 45401 Research Avenue, Suite 301, Fremont, California 94539, United States.

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

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission. You may contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You may also visit the FTC's home page at http://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.

THE ISSUANCE DATE OF THIS DISCLOSURE DOCUMENT IS _ _[date]_ _.

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 H** 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 FRANCHISOR HAS JUST BEGUN OFFERING FRANCHISES

2. THE FRANCHISOR IS A NEW ENTITY AND DOES NOT HAVE A LONG OPERATING HISTORY

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

4. 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

5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

See the next page for State Effective Dates

STATE 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:

State	Effective Date
California	Pending

For all other states, the effective date of this Franchise Disclosure Document is [date].

ONENESS CITY, INC.
FRANCHISE DISCLOSURE DOCUMENT
TABLE OF CONTENTS

EXHIBITS

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

Oneness City, Inc.

Oneness City, Inc., a California corporation, is the franchisor for One Tea Stores. To simplify the language in this Disclosure Document, "**Franchisor**," "**we**" and "**us**" means Oneness City, Inc. "**You**" or "**Franchisee**" means the business entity, person, or persons who sign the Franchise Agreement.

We were incorporated in California on November 19, 2013. Our principal business address is 45401 Research Avenue, Suite 301, Fremont, California, 94539. We have been doing business as ONE TEA USA since at least as early as June 27, 2014.

Our agent for service of process is Raymond Lai, 45401 Research Avenue, Suite 301, Fremont, California, 94539.

We currently operate a One Tea USA store at 46809 Warm Springs Blvd, Fremont, CA 94539. We have no other business activities and have not offered franchises in other lines of business.

Franchisor's Parents, Predecessors, and Affiliates

We have no predecessors or affiliates. There is no predecessor from which the franchisor acquired, directly or indirectly, the major portion of the franchisor's assets during the past 10 years.

One Tea Store Franchise

We grant franchises operating under the ONE TEA trade name. (We call these "One Tea Stores" in this disclosure document; we call your prospective ONE TEA location the "Franchised Store.") One Tea Stores feature a limited menu of boba tea, milk tea, slushies, and desserts.

You will operate the Franchised Store according to our proprietary business format and system (the "Franchised System") the distinguishing characteristics of which include interior and exterior trade dress, packaging trade dress, use of our proprietary recipes and specifications for operations and preparation, packaging, and presentation, and other standards, specifications, policies, and procedures for operating a One Tea Store.

The Franchised Store will be identified by the use of certain intellectual property rights, including the trade name and mark "ONE TEA" and U.S. Registration No. 4,740,357 service mark, a design mark consisting of Chinese characters which transliterate to "Yi Cha Xian Lao Yin" and translate in English to "One Tea Fresh and Genuine Drinks" (the "Proprietary Marks.")

A typical One Tea Store occupies 500 to 2,000 square feet of commercial space and typically is located on a major thoroughfare, in or adjacent to a retail mall, or in an urban store front.

You will operate the Franchised Store according to our standard Franchise Agreement (see Exhibit A) and our standards, specifications, policies, and procedures that will be communicated to you via our Operations Manual and other communications from us.

Competition

The consumer market for a One Tea Store consists primarily of customers who patronize fast-casual stores – a highly developed and very competitive market. As a One Tea Store franchisee, you will compete with numerous other businesses offering boba tea, milk tea, slushies, and desserts.

Special Industry Regulation

Federal, state, and local jurisdictions have enacted laws, rules, regulations, and ordinances which may apply to the operation of your One Tea Store, including those which (1) establish general standards, specifications, and requirements for the construction, design, and maintenance of One Tea Store premises; (2) regulate matters affecting the health, safety, and welfare of your customers, such as general health and sanitation requirements for tea, smoothie, and coffee shops; employee practices concerning the storage, handling, cooking, and preparation of food and beverages; restrictions on smoking; availability of and requirements for public accommodations, including restrooms; (3) set standards pertaining to employee health and safety; (4) set standards and requirements for fire safety and general emergency preparedness; (5) govern the use of vending machines; and (6) regulate the proper use, storage, and disposal of waste, insecticides, and other hazardous materials. You should investigate whether there are regulations and requirements that may apply in the geographic area in which you are interested in locating your One Tea Store and should consider both their effect and cost of compliance.

In addition, you must comply with all local, state, and federal laws that apply to your One Tea Store, including health, sanitation, no smoking, EEOC, OSHA, discrimination, employment, and sexual harassment laws. The Americans with Disability Act of 1990 requires readily accessible accommodation for disabled people and therefore may affect your building construction, site elements, entrance ramps, doors, seating, bathrooms, etc. You must obtain all required real estate permits, licenses, and operational licenses. California law requires each food facility that meets specified criteria (which cover franchised outlets with at least 19 other franchised outlets with the same name among certain other food facilities) to provide nutritional information that includes, per standard menu item, the total number of calories, grams of saturated fat, grams of trans fat, and milligrams of sodium and to have menu boards that include the total number of calories. Other states and cities may have laws similar to these California laws.

You should consult with your attorney concerning these and other local laws and ordinances that may affect your One Tea Store. You should consult with your attorney and local, state, and federal government agencies before buying the Franchised Store to determine all legal requirements and consider their effects on you and the cost of compliance. It is your sole responsibility to investigate and satisfy all local, state, and federal laws, since they vary from place to place and can change over time. During the term of the Franchise Agreement, you must, at all times, develop, maintain, and operate the One Tea Store in compliance with all our System Standards, as we may modify or supplement in the future.

ITEM 2
BUSINESS EXPERIENCE

Raymond Lai – CEO

Raymond has been one of the founders and CEO of the company since November 2013. His duties include overseeing the company's operation. Prior to founding the Oneness City, Inc., he was a senior project lead for Brocade Communications Systems, Inc., San Jose, CA. He was with Brocade from February 2001 to March 2014.

Amy Chen – CFO

Amy has been one of the founders and CFO of the company since November 2013. Her duties include overseeing the company's finance and human resource departments. Prior to founding the Oneness City, Inc., she was a senior project lead for Juniper Networks, Inc., Sunnyvale, CA. She was with Juniper from March 2001 to July 2014.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Program

We grant to you the right, license, and privilege to operate a One Tea Store franchised store, at only a single location.

Refunds, Different Fees, and Financing

When you sign the Franchise Agreement you will pay us a nonrefundable Initial Franchise Fee. The Initial Franchise Fee is $30,000 for a One Tea store.

The Initial Franchise Fee is uniform for all new franchisees.

ITEM 6
OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty Fees	6% of the Gross Revenues	10 days after the Reporting Period ends	Payment must be made via electronic funds transfer
Late Fee / Service Charge	$50.00 plus 1.50% on the amount outstanding per month, not to exceed the maximum interest rate allowed by law, from the date payment was due until paid in full	Continues to accrue until paid	Payable only if any check, draft, electronic or other payment is unpaid because of insufficient funds or if any sums due to us are not paid promptly when due.
Audit Results and Accounting Fees	Cost of audit and accounting fees	Within 15 days of receipt of audit report	Payable if you understate Gross Revenues by 2% or more
Renewal Fee	$5,000	When you deliver your renewal notice	This $5,000 renewal fee will be in lieu of the Initial Franchise Fee payable when you “renew” your Franchise Agreement.
Transfer Fee	50% of the then-current initial franchise fee	Upon transfer	Payable if you transfer the Franchise Agreement, as permitted by the terms of the Franchise Agreement
Liquidated Damages	An amount equal to twice the total royalty fees paid (or if unpaid, payable) by you during the 12 reporting periods immediately preceding the effective date of the termination	Within 30 days following the date of termination	Payable only if you materially breach or terminate the Franchise Agreement
Manual Replacement Fee	$100	On demand	Payable to us if you misplace the Manuals or fail to return them to us upon demand

Type of Fee	Amount	Due Date	Remarks
Interim Management Fee	To be determined	As Incurred	If you are in default under the Franchise Agreement, and we elect to assume interim management of your One Tea Store during the pendency of any cure period or in lieu of immediately terminating your Franchise Agreement, we may charge you a reasonable fee for our management services

ITEM 7
ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is Made
	Low	High			
The Initial Franchise Fee	$30,000	$30,000	Lump Sum	At Franchise Agreement signing	Franchisor
Leasehold/ Construction	$60,000	$150,000	As Incurred	As Incurred	Contractors
Furniture, Fixtures and Equipment	$50,000	$80,000	As Incurred	As Incurred	Suppliers
Architects, Engineering Fees and Permits	$6,000	$8,000	Lump Sum	As Incurred	Architects, Permitting Authority
POS System, Printer and Related Office Equipment	$4,000	$5,000	As Arranged	Before Opening	Approved Suppliers
Security Systems and Internet	$1,000	$2,000	As Incurred	As Incurred	Suppliers
Lease Payments and Deposit	$5,000	$15,000	As Arranged	As Incurred	Landlord
Exterior Signage	$3,500	$5,000	As Arranged	As Incurred	Suppliers

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is Made
	Low	High			
Opening Inventory	$6,000	$8,000	As Incurred	Before Opening	Franchisor
Insurance, Liability and Workers compensation	$5,000	$8,000	As Arranged	Before Opening	Insurance company
Additional Funds for 3 months	$60,000	$90,000	Cash	As Needed	Employees, Suppliers and Utilities
Travel During Training	$1,000	$5,000	As Arranged	During Training	Trainees
Grand Opening Event	$500	$2,000	Salary/Per Diem	As Incurred	Employees
Grand Opening Advertising	$1,000	$3,000	As Arranged	Before Opening	Approved Suppliers

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Except as described below, you have no obligation to purchase or lease from us or from suppliers approved by us or according to specifications we issue:

One Tea Store Location

We will advise you on your selection of a Franchised Store Location. We will accept or reject any proposed site, according to factors we establish and that we consider appropriate, within 30 days of your proposal. You must own or lease the Location at all times during the Term of the Franchise Agreement. We will review and approve or reject the Lease within 30 days.

We will provide you with standard plans to renovate the Location, and we will review your site plans only for conformity with the System Standards. We will not unreasonably withhold or delay our approval.

Approved Suppliers

You must purchase or lease certain specified items below only from approved suppliers listed in our Mandatory Supplier/Vendor Contract, attached here as Exhibit K, our Operations Manual, or otherwise in writing. Approved suppliers at this time are Oneness City Inc., K. F. Resources Company, and Costco Wholesale Corporation.

Goods, Supplies, Inventory, and Services

We have one Affiliate who is a sole source approved supplier, One Tea Taiwan, which provides proprietary goods. We or an Affiliate may be the sole approved suppliers for proprietary or other goods or services, with the goal of consistency and uniformity across all franchisees. We or our Affiliates may earn a profit from providing purchasing and procurement services, including receipt of fees from third party suppliers.

The goal of uniform operations is part of our System Standards. To achieve this, our Operations Manual contains mandatory specifications and standards pertaining to all aspects of your operations. We have specifications for all good and beverage products, cooking equipment, food preparation methods, recipes, and ingredients. We state all specifications, and we will identify designated suppliers, in the Operations Manual where applicable. We may revise the specifications and designated suppliers through written bulletins or supplements to the Operations Manual at any time. Except for items we identify by designated supplier, you may purchase all goods, services, equipment, supplies, fixtures, furnishings, and inventory that we require you to have to operate from any supplier, subject to our approval following the procedure below.

Equipment and Fixtures

All equipment and fixtures must be in conformity with our System Standards. We are not obligated to provide you with equipment and fixtures for the Franchised Store. You will display only those signs and advertising materials that we either specify in the Operations Manual or approve in writing.

Computer Equipment and Technology

All computer equipment and technologies must be in conformity with our System Standards. We are not obligated to provide you with computer equipment or other technologies. You must maintain such technology according to specifications within the Operations Manual or otherwise in writing. We may specify methods of data treatment, models of hardware and software systems, and other specific equipment. We may mandate that you provide free wireless internet access for customers of the Franchised Store, or other customer-facing technologies.

We will exclusively own any data that you collect and maintain. You must abide with all applicable laws and regulations pertaining to privacy and security of consumer, employee, and transactional information, as well as any specifications that we mandate in the Operations Manual or in writing.

We may establish policies and procedures regarding Internet marketing, social media, online use of the Proprietary Marks, and websites. You may not have a separate website without requesting one and obtaining our written approval based on a complete sample of the proposed site.

Approval of Suppliers

If you wish to nominate an approved supplier, the Operations Manual contains the procedures and fees for obtaining approval. We may deny approval of any nominee in our sole discretion, according to conditions that we establish and deem appropriate. We will not unreasonably delay our decision.

In order to nominate a supplier, you first must submit sufficient information, specifications, and/or samples for our determination whether the product or service complies with our System Standards or the supplier meets our approved supplier criteria. We may establish and revise those criteria from time to time as we deem appropriate and will make the information available through the Operations Manual and any of its revisions or supplements. We may condition our approval on the supplier's agreement to comply with product quality standards, frequency of delivery, standards of service, and concentration of purchase requirements.

Insurance

Before you open your Franchised Store, you must obtain the type and amount of insurance coverage that we specify in the Franchise Agreement. You must use a responsible carrier or a carrier authorized to write coverage in your state with an A.M. Best Rating of at least "A" and that we find acceptable. You are required to keep in force, at minimum, the following insurance coverage:

(1) Worker's compensation, employer's liability, and such insurance to meet statutory requirements,

(2) Comprehensive general liability insurance, including product liability, property damage, and personal injury coverage, with a single limit of at least $1,000,000 and a $2,000,000 general aggregate limit,

(3) "All Risk" or special property coverage of the replacement cost of the Franchised Store,

(4) Business interruption insurance with coverage for at least 12 months for projected earnings,

(5) Business Automotive Liability covering liability arising out of any auto (including owned, hired, and non-owned autos), with a minimum of $1 million combined single limit each accident. A $1 million Umbrella Policy on an occurrence basis covering excess of the underlying insurances described in (i), (iii), and (iv) above which is at least as broad as each and every underlying policy, provided that you may purchase more underlying coverage and less umbrella coverage under such policies as long as you maintain the total amount of the limits specified for each coverage area,

(6) Other insurance as may be required by the state or locality of the Franchised Store,

(7) (Optional) Employment practices liability insurance with a limit of $500,000,

(8) (Optional) Employee Dishonesty/Fidelity insurance with a limit of $100,000.

Improvements

We may require you to upgrade your Franchised Store to conform to changes in our System Standards, which may include new signage, image, décor, equipment, technology, and image standards. However, we will not require upgrades before the Term of the Agreement or a renewal term has expired.

All present and future characteristics of and improvements to the Franchised System, whether developed by you or by us, will be our property, including all new and improved recipes, preparation instructions and methods for menu items, ingredients, new menu items, all present and future service marks, trademarks, trade dress, copyrights, and their associated registrations and resulting goodwill.

Other Disclosures Regarding Restrictions on Sources

Required purchases consist of items you must purchase from approved suppliers or under our established specifications. Your required purchases will represent approximately 20% of your total opening expenses (excluding the cost of real estate and improvements) and approximately 20% of your total annual operating expenses.

We do not provide any material benefits (like renewal or granting additional franchises) based on your use of designated or approved sources.

We currently derive no revenue or other material consideration from franchisee purchases. We may derive revenue from suppliers from franchisee purchases in the future in our sole discretion.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

Obligation	Section(s) in Franchise Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Section 6	Item 7, Item 10, Item 11
b. Pre-opening purchases/leases	Section 6, Section 8, Section 21	Item 5, Item 6, Item 7, Item 8
c. Site development and other pre-opening requirements	Section 6, Section 8, Section 21	Item 5, Item 6, Item 7, Item 8
d. Initial and ongoing training	Section 4, Section 6, Section 7, Section 8, Section 37	Item 7
e. Opening	Section 6	Item 5, Item 7, Item 8, Item 11
f. Fees	Section, Section 4, Section 5, Section 7, Section 8, Section 13, Section 15, Section 19, Section 21, Section 22, Section 27, Section 28, Section 47, Section 54	Item 5, Item 6, Item 7, Item 11
g. Compliance with standards and policies/Manuals	Section 6, Section 8, Section 9, Section 12, Section 13, Section 15, Section 17	Item 1, Item 8, Item 11
h. Trademarks and proprietary information	Section 2, Section 8, Section 9, Section 12, Section 13, Section 16, Section 32, Section 34	Item 13, Item 14
i. Restrictions on products/services offered	Section 8, Section 9	Item 16
j. Customer service requirements	Section 8, Section 9, Section 18	Item 8
k. Territorial development	Section 2, Section 6	Item 12
l. Ongoing product/ service purchases	Section 3, Section 8, Section 9, Section 13, Section 21	Item 7, Item 8, Item 11

Obligation	Section(s) in Franchise Agreement	Disclosure Document Item
m. Maintenance, appearance, and remodeling requirements	Section 4, Section 6	Item 1, Item 7, Item 8
n. Insurance	Section 8, Section 21	Item 7, Item 8
o. Advertising	Section 5, Section 6, Section 8, Section 9, Section 13, Section 16, Section 17, Section 19, Section 20, Section 21	Item 7, Item 8, Item 11, Item 13, Item 14, Item 16
p. Indemnification	Section 27, Section 34	Item 7, Item 8
q. Owner's participation/ management/ staffing	Section 2, Section 4, Section 6, Section 7, Section 8, Section 25, Section 26, Section 37	Item 6, Item 11, Item 15
r. Records and reports	Section 5, Section 14, Section 15, Section 36	Item 6
s. Inspections and audits	Section 6, Section 8, Section 15	Item 6, Item 11, Item 21
t. Transfer	Section 22, Section 23, Section 24, Section 25, Section 26, Section 32, Section 33, Section 54	Item 6, Item 15, Item 17
u. Renewal	Section 4, Section 22	Item 6, Item 17
v. Post-termination obligations	Section 9, Section 11, Section 12, Section 13, Section 23, Section 32, Section 33, Section 34	Item 6, Item 17
w. Non-competition covenants	Section 8, Section 11, Section 32	Item 15, Item 17
x. Dispute resolution	Section 13, Section 31, Section 33, Section 45, Section 46, Section 47	Item 17
y. Taxes and permits	Section 5, Section 6, Section 8, Section 23	Item 1, Item 7
z. Computer hardware and software	Section 9	Item 8, Item 11
aa: Security interest	Section 5	Item 7

ITEM 10
FINANCING

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

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

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

Before Opening Obligations

We have the following obligations to you before you open your One Tea Store for business:

1. One Tea Store Site Selection. We will approve or refuse to approve your site within 30 days of receiving all requested information (Franchise Agreement, Section 6(b).)

2. Training. We will admit two individuals to our initial Management Training program, described below. (Franchise Agreement, Section 7(a)(i).)

3. Opening Assistance. We will provide to you week of management support, beginning on the Opening Date, at no charge. (Franchise Agreement, Section 7(a)(ii) and 7(d).)

4. Manuals. We will loan you one copy of the Operations Manual. The replacement fee is $100.00. (Franchise Agreement, Sections 7(b) and 13(i).)

5. Site Development. We will provide to you pre-opening consultation and advice as we deem appropriate, which may include advice with regard to the development and operation of the location layout, furnishing, fixtures, and equipment, plans and specifications, purchasing and inventory control, and such other matters as we deem appropriate. (Franchise Agreement, Sections 6(b), (d), and (f).)

Post-Opening Obligations

We have the following obligations to you during the operation of your One Tea Store:

1. Training. We may provide additional training at our discretion, according to the program described below. (Franchise Agreement Sections, 7(a)(iii-v).)

2. Ongoing advice. We will provide such ongoing consultation and advice as we deem appropriate, which may include information about new product development, instruction concerning the operation and management of a One Tea Store, and financial and accounting advice. (Franchise Agreement, Sections 7(e), (g), and (h).)

3. Inspection. We will inspect and evaluate your One Tea Store periodically to ensure it meets our standards. (Franchise Agreement, Section 7(f).)

Initial Training Program

We will run a Management Training program that the Owner/Operator and general manager must attend. The program must be completed at least four weeks before the Opening Date. We may adjust the Opening Date based on the timing of successful completion of our training. (Franchise Agreement, Section 7(a)(i).)

Additional Training Program

We may provide additional training of managers upon request. We will designate the time, place, and duration of such training. There a nonrefundable Additional Training Fee of $100.00 per hour, which you must pay in advance. (Franchise Agreement, Sections 7(a)(iii-v) and 8(a)(i).)

Proprietary Products

We will establish the specifications and System Standards for the preparation and sale of our products. We will also publish a list of approved suppliers and their respective approved products and services in the Operations Manual or in other written or electronic communications to you. We may amend the list. We may also publish in the Operations Manual the procedures and fees for obtaining approval of any supplier you may like to use. We may approve or deny use of that supplier. (Franchise Agreement, Section 7(c).)

ITEM 12
TERRITORY

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

ITEM 13
TRADEMARKS

We have adopted and used in commerce, and are using in commerce, the service mark displayed below consisting of Chinese characters which transliterate to "Yi Cha Xian Lao Yin" and translate in English to "One Tea Fresh and Genuine Drinks" (the "Chinese Characters Mark"). We have used the mark in commerce in connection with the services "Cafe and restaurant services; Restaurant services featuring milk teas, fusion teas, boba teas, slushies, and desserts; Tea bars" in International Class 043 since at least as early as June 27, 2014.

We own a federal registration for the Chinese Characters Mark for the above-listed services under U.S. Registration No. 4,740,357, which registration was granted by the United States Patent and Trademark Office ("USPTO") on May 19, 2015.

We have adopted and used in commerce, and are using in commerce, the service mark ONE TEA (in English standard characters). We have used the mark in commerce in connection with the services “Cafe and restaurant services; Restaurant services featuring milk teas, fusion teas, boba teas, slushies, and desserts; Tea bars” in International Class 043 since at least as early as June 27, 2014.

We have adopted and used in commerce, and is using in commerce, certain trade dress, consisting of the look and aesthetic design of Franchisor’s café, restaurant, and bar service store locations, as well as the marketing and promotional materials, and documentation and articles, associated therewith, which is identified and shown at Franchise Agreement Attachment F hereto, which are hereby incorporated into this Agreement by reference. Franchisor has used the trade dress in commerce in connection with the services “Cafe and restaurant services; Restaurant services featuring milk teas, fusion teas, boba teas, slushies, and desserts; Tea bars” in International Class 043 since at least as early as June 27, 2014.

ITEM 14
PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Other than our copyright in our Operations Manual and advertising materials that we may distribute, we do not own any patents or copyrights and have no pending applications material to the Franchised Store.

We own certain proprietary information that constitutes trade secrets that you may use in the operation of the Franchised Store, including our particular methods of producing our drink items and food products. You will have the right to use the proprietary information contained in the Operations Manual and all advertising materials that we may distribute to you. You are not given any rights in other proprietary or confidential information developed by us in the future. Although we have not (yet) registered our copyright in the Operations Manual, we do claim a copyright in it and the information contained in it does constitute proprietary information. The Franchise Agreement will obligate you to protect our proprietary information from unauthorized use and disclosure, and to have your equity owners, managers, and employees we designate in the Operations Manual sign a confidentiality agreement in the form we prescribe (Franchise Agreement, Attachment D). You must tell us promptly when you learn about any unauthorized use of the Operations Manual or the information contained in it. We have no obligation to take any action in that event. However, we will response as we deem appropriate.

There are no currently effective material determinations of the United States Copyright Office, United States Patent and Trademark Office, or any court, or any pending material proceeding that would affect our rights. We have no agreements which would limit our right to license the use of any existing or future patents, copyrights, or proprietary information. Although not obligated under any express provision of the Franchise Agreement, we intend to protect our rights in our existing and future patents, copyrights, and proprietary information.

If anyone institutes or threatens litigation involving any of our patents, copyrights, or proprietary information against you, you must notify us promptly and cooperate fully with us in defending or settling the litigation.

We will have control over the defense and settlement of any administrative proceeding or litigation regarding any patents, copyrights, or proprietary information relating to the Franchised Store system. You also should notify us immediately when you learn about any infringing use of our patents, copyrights, or proprietary information, or any challenge to your use thereof.

Except as stated above, we do not have any obligation to take any affirmative action, participate in your defense, or indemnify you for expenses or damages if you become a party to an administrative or judicial proceeding involving any patents, copyright material, or proprietary information licensed by us to you or if the proceeding is resolved unfavorably to you.

If we must discontinue the use of any of our patents, copyrights, or proprietary information relating to the Franchised Store system, we reserve the right to substitute different materials or information for your use in the Franchised Store, but we have no obligation to compensate you for the discontinuance or modification of any patents, copyrights, or proprietary information. We know of no infringing rights that could materially affect you.

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

You must designate an Owner-Operator acceptable to us who will be responsible for the operational decisions of your Franchised Store. Your Owner-Operator must own at least 5.0% interest in your equity and voting rights (unless you are a sole proprietorship) when you sign the Franchise Agreement. The Owner-Operator must devote his or her full time to the Franchised Store. You must provide or arrange for, through us, the initial training, additional training, and remedial training for your managers and other employees and ensure that the Franchised Store is at all times under the direct control of the Operator or a Manager and other fully-trained employees. We may require each of your owners and employees who have access to any confidential information to sign Confidentiality, Non-Disclosure, and Non-Compete Agreement, in a form acceptable to us (Franchise Agreement, Attachment D).

All present and future owners of the equity or your voting rights must execute a written guarantee in a form we prescribe (Franchise Agreement, Attachment C), personally, irrevocably, and unconditionally guaranteeing, jointly and severally, with all other guarantors, the full payment and performance of your obligations to us and to our affiliates. Upon each transfer or assignment of your interest in the Franchise Agreement, or other change in your ownership interests, and at any other time we request, these holders must re-execute a written guarantee in a form we prescribe.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell all services, products, and programs that we require you to sell and that are part of the System Standards, or that we incorporate into the System Standards in the future. We may add to, delete from, or modify the services, products, and programs that you can and must offer. You must abide by any additions, deletions, and modifications, and there are no limits on our rights to make changes.

You may not sell any menu item, product, service, or program that is not a part of the System Standards without our prior written approval. You may not use the ONE TEA name or Proprietary Marks for any other business. You may not conduct any business other than the business contemplated by the Franchise Agreement from your Franchised Store without first obtaining our written consent. There are no restrictions on the customers to whom you can sell the products at your Franchised Store.

You may only sell ONE TEA products and services at retail from your Franchised Store, and you may not engage in the wholesale sale or distribution of any ONE TEA products, service, equipment, or other component, or any related product or service, without first obtaining our written consent. You may not sell any products through the Internet or using any channel of distribution other than your Franchised Store without first obtaining our written consent. You must obtain our approval before you use any advertising and promotional materials and plans. You must obtain our written approval of the content and design of your website or Internet posting or marketing in advance of such use and such use must be in compliance with our policies, including the use and presentation of our Proprietary Marks.

You may not sell, barter, or exchange the Proprietary Products or other proprietary items at wholesale or retail under any condition.

In preparing, dispensing, and selling our products, you may use only product components, ingredients, flavoring, and garnishes that meet our then-current requirements and specifications. You must prepare all products in strict accordance with our standards, specifications, techniques, and procedures. In dispensing our products, you may use only containers, cartons, bags, boxes, napkins, and other paper goods and packaging bearing our then-current approved text and designs, and that otherwise meet our then-current requirements, specifications, and quality standards.

We may require you to test market products or services at your Franchised Store. You must cooperate with us in conducting these test marketing programs and comply with all rules and regulations established by us.

ITEM 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

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

Provision	Section in Franchise Agreement (Exhibit A)	Summary
a. Length of the term of the Franchise	4	Ten years from the opening date of your franchise
b. Renewal or extension of the term	4	Up to two renewal terms of five years each
c. Requirements for Franchisee to renew or extend	4	Written notice of your intent to renew at least 180 days before the end of the term; payment of $5,000.00 renewal fee
d. Termination by Franchisee	28	Written notice of non-performance must be provided to franchisor. If the failure continues at the end of 60-day cure period, you may terminate this Agreement on written notice to us delivered at any time before we cure the failure.
e. Termination by Franchisor without cause	-	-
f. Termination by Franchisor with cause	4, 29, 30	We may terminate the Franchise Agreement effective immediately (or at the earliest time allowed under law) upon written notice to you for any of several reasons including but not limited to abandonment, bankruptcy, and falsifying records
g. "**Cause**" defined – curable defaults	30	Curable defaults include failure to make payments as and when due to us or our Affiliates, and failure to perform any of your other obligations under this Agreement or any other agreement with us or our Affiliates
h. "**Cause**" defined – non-curable defaults	29	Non-curable defaults include but are not limited to abandonment, bankruptcy, and falsifying records
i. Franchisor's obligations on termination/nonrenewal	4, 32, 33	We will notify you within thirty days after we receive your renewal notice if you are not eligible to renew. Upon termination, we will have the option to purchase the Franchised Store at fair market value.
j. Assignment of contract by Franchisor	22	We may assign all or any part of our rights and duties under the Franchise Agreement, without notice and without your consent

Provision	Section in Franchise Agreement (Exhibit A)	Summary
k. "**Transfer**" by Franchisee defined	22	You may not directly or indirectly transfer or assign any direct or indirect interest in the Franchise Agreement or the Franchised Store without our prior consent, which we may withhold or condition in our sole discretion
l. Franchisor's approval of transfer by Franchisee	22	You may not directly or indirectly transfer or assign any direct or indirect interest in the Franchise Agreement or the Franchised Store without our prior consent, which we may withhold or condition in our sole discretion
m. Conditions for Franchisor's approval of transfer	22	We condition our consent on satisfaction several factors, not limited to, that the proposed transferee must satisfy all of the requirements and conditions then being used to qualify as a new franchisee of ours, and you must satisfy all of your monetary obligations then due and owing to us and our Affiliates, and you must pay us a transfer fee equal to fifty percent (50.0%) of the initial franchise fee we then charge.
n. Franchisor's right of first refusal to acquire Franchisee's business	23	Prior to your sale or transfer of any interest that constitutes control of the Franchised Store or of you, you must notify us of the proposed sale or transfer and deliver to us the name and address of the proposed purchaser or transferee, the proposed purchase price, and all other terms and conditions of the proposed sale or transfer. Within thirty days after we receive the foregoing notice and materials, we will have the right and option to send notice to you that we intend to acquire the Offered Interest on the same terms and conditions as contemplated by the third party.
o. Franchisor's option to purchase Franchisee's business	23, 33	Within thirty days before or after the termination or expiration of the Franchise Agreement, we have the right and option to purchase the Franchised Store's tangible assets and assume the lease for the Location

Provision	Section in Franchise Agreement (Exhibit A)	Summary
p. Death or disability of Franchisee	22, 25, 26	In the event of your death, permanent disability, or appointment of a guardian for you, this Agreement will terminate ninety (90) days after your death, permanent disability, or appointment of a guardian, unless we give our consent for assignment to a successor
q. Non-competition covenants during the term of the Franchise	11	During the Term, you may not engage, either directly or indirectly, through any financial or beneficial interest in any other Person or in any Competing Business
r. Non-competition covenants after the Franchise is terminated or expires	11, 32	Upon the termination or expiration of the Franchise Agreement for any reason, you are obligated to abide by the non-competition and confidentiality provisions contained in the Franchise Agreement. For a period of one (1) year after the termination or expiration of the Franchise Agreement for any reason, you may not engage in any Competing Business.
s. Modification of the agreement	51	No amendment to this Agreement will become effective or binding on the parties, unless it is in writing and signed by all of the parties; except that we may modify or change the Franchised System or Operations Manual unilaterally at any time, effective thirty (30) days after notice of the change or modification is sent to you
t. Integration/merger clause	39	The Franchise Agreement (including all attachments, exhibits, and schedules) constitutes the entire agreement of the parties with regard to the subject matter of this Agreement and replaces and supersedes all other prior written, electronic, and oral agreements and statements of the parties relating to the subject matter of this Agreement
u. Dispute resolution by mediation	33	You and we will resolve any dispute regarding the fair market value of the Franchised Store by arbitration, provided that the arbitrator shall be an accountant or investment banker experienced with the valuation of businesses similar to the Franchised Store. Such proceeding will be final and binding arbitration under the Rules for Commercial Arbitration of the American Arbitration Association.

Provision	Section in Franchise Agreement (Exhibit A)	Summary
v. Choice of forum	46	The exclusive venue and forum for any action arising out of or in any way related to is in the United States District Court for the Northern District of California and Alameda County, California
w. Choice of law	45	The Franchise Agreement shall be governed by the laws of the State of California

ITEM 18
PUBLIC FIGURES

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

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

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 Raymond Lai, 45401 Research Avenue, Suite 301, Fremont, California, 94539, (510) 969-9032, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

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

In some instances current and former franchisees sign provisions restricting their ability to speak openly about their experience with Oneness City Inc. and One Tea USA. 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.

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

Table No. 1
System-Wide Outlet Summary
For Fiscal Years 2014-2017*

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised				
	2014	0	0	0
	2015	0	0	0
	2016	0	0	0
	2017	0	0*	0*
Company-Owned				
	2014	0	1	1
	2015	1	1	0
	2016	1	1	0
	2017	1	1*	0*
Total Outlets				
	2014	0	1	1
	2015	1	1	0
	2016	1	1	0
	2017	1	1*	0*

*As of February 28, 2017.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)*
For Fiscal Years 2014-2017

State	Year	Number of Transfers
California	2014	0
	2015	0
	2016	0
	2017	0
Totals	2014	0
	2015	0
	2016	0
	2017	0

*As of February 28, 2017.

Table No. 3
Status of Franchised Outlets*
For Years 2014-2017

State	Year	Outlets at the Start of the Year	Outlets Opened	Terminations	Non-renewals	Reacquired by Franchisor	Ceased Operations for Other Reasons	Outlets at the End of the Year
California								
	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
	2017	0	0*	0	0	0	0	0*
Total								
	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
	2017	0	0*	0	0	0	0	0*

*As of February 28, 2017.

Table No. 4
Status of Company-Owned Outlets*
For Years 2013-2017

State	Year	Outlets at the Start of the Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at the End of the Year
California							
	2014	0	1	0	0	0	1
	2015	1	0	0	0	0	1
	2016	1	0	0	0	0	1
	2017	1	0*	0	0*	0*	1*
Total							
	2014	0	1	0	0	0	1
	2015	1	0	0	0	0	1
	2016	1	0	0	0	0	1
	2017	1	0*	0	0*	0*	1*

*As of February 28, 2017. We and our affiliates, collectively, own 1 One Tea Store location in California.

Table No. 5
Projected Openings as of February 28, 2017

STATE	FRANCHISE AGREEMENTS SIGNED BUT OUTLETS NOT OPENED	NEW FRANCHISED OUTLETS IN THE NEXT FISCAL YEAR	PROJECTED NEW COMPANY OWNED OUTLET IN THE NEXT FISCAL YEAR	PROJECTED AREA DEVELOPERS IN THE NEXT FISCAL YEAR
California	0	2	0	0
Totals	0	2	0	0

We have no franchisees as of the date of this Disclosure Document.

There are no independent franchisee organizations that have asked to be included in this Disclosure Document.

During the last three fiscal years we have not signed confidentiality clauses with current or former franchisees.

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

ITEM 21
FINANCIAL STATEMENTS

Attached to this Franchise Disclosure Document as Exhibit G are the audited consolidated financial statements of Oneness City, Inc. for the period from inception (June 27, 2014) to October 31, 2016.

ITEM 22
CONTRACTS

A copy of the following agreements are attached to this Franchise Disclosure Document:

Exhibit K – Mandatory Supplier/Vendor Contract

ITEM 23
RECEIPTS

Attached, as the last page of this Disclosure Document Exhibit L is a receipt. Please sign it, date it as of the date you receive the Disclosure Document, and return it to us. A duplicate of the receipt is attached for your records.

RECEIPT (COPY FOR YOUR RECORDS)

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

The franchisor is ___________________________________ (name and address of franchisor).

If we offer you a franchise, we must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, it or an affiliate in connection with the proposed franchise sale.

New York and Rhode Island require that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If franchisor does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the California Department of Corporations.

Issuance date: ________________

On ________________ (date received),

I received a Disclosure Document dated ________________ (issuance date) that included the following exhibits:

EXHIBIT A. FRANCHISE AGREEMENT INCLUDING ATTACHMENTS
EXHIBIT B. AREA DEVELOPMENT AGREEMENT
EXHIBIT C. CLOSING ACKNOWLEDGEMENT
EXHIBIT D. GENERAL RELEASE
EXHIBIT E. NON-DISCLOSURE AND NON-USE AGREEMENT
EXHIBIT F. DISCLOSURE DOCUMENT ADDENDA REQUIRED BY CERTAIN STATES
EXHIBIT G. FINANCIAL STATEMENTS
EXHIBIT H. STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS
EXHIBIT I. TABLE OF CONTENTS OF OPERATIONS MANUAL
EXHIBIT J. NAMES AND ADDRESSES OF FRANCHISEES
EXHIBIT K. MANDATORY SUPPLIER/VENDOR CONTRACT
EXHIBIT L. RECEIPT

Date: ________________

_________________________________ (Signature of Prospective Franchisee)

_________________________________ (Printed name)

RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

The franchisor is ____________________________________ (name and address of franchisor).

If we offer you a franchise, we must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, it or an affiliate in connection with the proposed franchise sale.

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If franchisor does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the California Department of Corporations.

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EXHIBIT J. NAMES AND ADDRESSES OF FRANCHISEES
EXHIBIT K. MANDATORY SUPPLIER/VENDOR CONTRACT
EXHIBIT L. RECEIPT

Date: ________________

_________________________________ (Signature of Prospective Franchisee)

_________________________________ (Printed name)

Exhibit A

Franchise Agreement Including Attachments

FRANCHISE AGREEMENT

This Franchise Agreement ("Agreement") is made and entered into as of the Effective Date, by and between Oneness City, Inc., a California corporation ("we," "us" or "our"), with a principal place of business at 45401 Research Avenue, Suite 301, Fremont, California, 94539, United States, as Franchisor, and ______________________, a ______________________ ("you" or "your"), as Franchisee, with a principal place of business at ____, (collectively, "the Parties"). For good and valuable consideration, the receipt and sufficiency of which the parties mutually acknowledge, the parties mutually agree as follows:

1. Definitions. The capitalized terms in this Agreement are assigned these definitions, unless the context of this Agreement indicates otherwise:

   (a) Affiliate. Any person or entity that controls, is controlled by, or is under common control with, a Party to this Agreement. Control of a person or entity means the power, direct or indirect, to direct or cause the direction of the management and policies of such person or entity, whether by contract or otherwise.

   (b) Certified Trainer. A person who has been or is currently a general manager of a One Tea Store and who has successfully completed our Management Training Program.

   (c) Competing Business. Any store serving as its primary menu offering milk teas, fusion teas, boba teas, and slushies.

   (d) Confidential Information. Any trade secrets we own or protect and other proprietary information not generally known to the tea store industry, including confidential portions of the Operations Manual and information we otherwise impart to you and your representatives in confidence. Confidential Information includes (without limitation) recipes, preparation instructions, proprietary software, and other valuable property.

   (e) Effective Date. The date we enter immediately below our signature block on this Agreement as the date on which you and we are legally bound under this Agreement. If no such date is entered, then the Effective Date shall be the date on which we execute and deliver this Agreement.

   (f) Franchised Store. The One Tea Store you establish and operate at the Location.

   (g) Franchised System. The distinctive, unique Proprietary Marks, trade dress, products, presentation styles and services, know-how, methods of operation, identification, décor, furnishings, equipment, training, service, production, technology, marketing, advertising, promotion, and development that we may designate in written or electronic form or through usage from time to time that define and distinguish a One Tea Store, including (without limitation) (i) plans and specifications for interior and exterior signs, designs, layout, and color schemes, (ii) methods, techniques, formats, systems, menus, recipes, specifications, procedures, information, trade secrets, sales, and marketing programs,

(iii) methods of business operations and management, (iv) System Standards, (v) the Operations Manual, and (vi) knowledge and experience regarding the operation and franchising of One Tea Stores.

(h) One Tea Store. A store operating under the Franchised System using the One Tea name and Proprietary Marks, or such other name(s) and mark(s) as we may specify under the Operations Manual, as amended.

(i) Losses and Expenses. Without limitation, all losses, compensatory, exemplary, or punitive damages, penalties, fines, charges, costs and expenses of investigation, defense and resolution, lost profits, attorneys' fees, court costs, settlement amounts, judgments, compensation for damages to our and our Affiliates' reputations, goodwill costs of or resulting from delays, financing, costs of advertising material and media time/space, and costs of charging, substituting, or replacing the same, and any and all expenses of recall, refunds, compensation, public notices, and other such amounts incurred in connection with the matter described.

(j) Intellectual Property. The Proprietary Marks, patents, copyrights, copyrightable material, ideas, concepts, inventions, know-how, trade secrets, Confidential Information, and other proprietary information that we designate in written or electronic form or through usage from time to time as part of or prescribed for use with the Franchised System.

(k) Net Cash Sales. The gross amount of all revenues from all business conducted upon, through, or from the Franchised Store, whether evidenced by cash, check, credit, charge account, barter exchange, or otherwise. Net Cash Sales includes (without limitation) the amounts received from the sale of food, beverages, consumable supplies, goods, wares, merchandise, and tangible property of every kind and nature (excluding Store equipment), and from the sale of services such as catering or ancillary services sold to customers on-premises and off-premises from or at the Franchised Store, whether you fill the orders from the Franchised Store or elsewhere. Net Cash Sales include the proceeds of business interruption insurance and any other insurance proceeds and damage payments intended to compensate for loss of revenues of the Franchised Store. Each charge or sale upon credit will constitute a sale for the full price in the Reporting Period during which the charge or sale occurs, regardless of when you collect payment for the charge or sale. Net Cash Sales do not include (i) any exchange of goods or services between your Stores where such exchange is made solely for the convenient operation of your Store business and not for the purpose of consummating a sale made in, at, or from an approved location, (ii) returns to shippers, suppliers, or manufacturers, (iii) cash or credit refunds to customers on transactions otherwise included in Net Cash Sales, (iv) sales of fixtures, machinery, or equipment which are not stock in trade, (v) receipts from vending machines, (vi) sales taxes, consumers' excise taxes, gross receipts taxes, and other similar taxes now and hereafter imposed upon the sale of food and beverages or services at the Location, but only if charged and collected separately from the sales proceeds of such items, (vii) any portion of a sale that is deemed a noncash sale, such as the discounted portion of a sale, or any sales that are complimentary, (viii) gratuities and delivery fees included if they are paid over to servers and delivery providers.

(l) Location. The address identified in Attachment A as the site of your One Tea Store.

(m) Opening Date. The date on which you open your One Tea Store for business, after receiving our consent to open.

(n) Operations Manual. The manual or collection of materials in written or electronic form which we designate from time to time as containing the System Standards, specifications, procedures, policies, methods of operating the Franchised Store, other elements of the Franchised System, and any information designated in this Agreement for inclusion or modification in the Operations Manual.

(o) Owner. Any Person that holds a direct or indirect equity ownership interest (including beneficial and record interests) in You.

(p) Owner-Operator. The Owner who is primarily responsible for supervising the operation of the Franchised Store, as you designate in writing to us in Attachment A or otherwise.

(q) Person. Any individual or business entity, including (without limitation) corporation, joint venture, general partnership, limited partnership, limited liability company, or trust.

(r) Proprietary Marks. We own certain intellectual property rights, including the trade name and mark, "ONE TEA" and U.S. Registration No. 4,740,357 service mark, a design mark consisting of Chinese characters which transliterate to "Yi Cha Xian Lao Yin" and translate in English to "One Tea Fresh and Genuine Drinks."

(s) Intellectual Property. "Intellectual Property" means the Proprietary Marks and other registered and unregistered distinctive and characteristic trademarks, trade names, trade dress elements, and domain names that we designate in written or electronic form or through usage from time to time as prescribed for use with the Franchised System.

(t) Reporting Period. "Reporting Period" means from the first to last day of the preceding calendar month. Our accounting system operates on 12 1-month periods for each fiscal year.

(u) System Standards. The standards for the Franchised Store and using the Franchised System published in the Operations Manual and elsewhere, including but not limited to standards for design, furnishings, fixtures and equipment, use and display of the Proprietary Marks, operations, technology, and any other standards, policies, rules, and procedures we promulgate about Franchised System operation and usage.

(v) Training Group. Up to two (2) Franchised Store employees.

2. Grant of Franchise.

(a) Grant. Subject to the terms and conditions in this Agreement, we grant to you the right, license, and privilege to operate a One Tea Store, only at the Location, and the right, license, and privilege to use and employ the Franchised System, the Proprietary Marks, and the Intellectual Property at that address during the Term.

(b) Reservation of Rights. We and our Affiliates reserve the right to engage or authorize others to engage in any business activity in proximity to your Location. There are no implied covenants or obligations regarding territorial rights arising from this Agreement or any other agreement between Franchisor and Franchisee. In addition, we reserve all rights of ownership, control, modification, revision, updating, and termination with regard to the Franchised System. Your only rights with regard to the Franchise System are limited to the license that we expressly grant to you under this Agreement during the Term, and the Parties intend that no implied covenants or rights attach or arise under the license you accept in this Agreement.

(c) Designation of Owner-Operator. Unless you operate as a sole proprietorship, you will designate one person from among the list of Owners with at least five percent (5.0%) of your outstanding equity on Attachment A who will be your "Owner-Operator." In such capacity, the Owner-Operator shall devote his or her full time and attention to the management, supervision, and operation of the Franchised Business. We may rely upon communications and decisions of the Owner-Operator as fully authorized by all necessary corporate action and legally binding on you. You may designate another Owner to serve as Owner-Operator by written notice to us as long as designee owns at least five percent (5.0%) of your outstanding equity as listed on Attachment A at the time of the designation.

3. No Exclusive Territory.

(a) You will not receive an exclusive territory. The Franchise Agreement grants you the right to operate a single Franchised Business at the Franchised Location. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

(b) You also acknowledge and agree that we will have the right (i) to advertise, market, and sell the same and similar services and products as those offered under the Franchised System under trademarks, service marks, and commercial symbols different from the Proprietary Marks through the same, similar, or different distribution channels; and (ii) to advertise, market and sell the same services and products as those offered as part of the Franchised System through dissimilar channels of distribution, including (without limitation) the Internet and retail outlets other than Stores.

4. Term. The "Term" consists of the Initial Term and the Renewal Terms described below.

(a) Initial Term. This Agreement shall be effective as of the Effective Date and shall continue for an “Initial Term” of ten (10) years from the Opening Date, unless terminated earlier under this Agreement.

(b) Renewal Terms. You may renew the franchise for the One Tea Store for up to two (2) additional “Renewal Terms” of five (5) years each, subject in each renewal to satisfaction of the conditions for renewal in this Section. THERE ARE NO OTHER RENEWAL RIGHTS OR OBLIGATIONS UNDER THIS AGREEMENT.

(c) Renewal Notice & Eligibility. If you intend to renew, you must give us written notice of your intent at least 180 days and not more than one (1) year before the end of the Initial Term and each Renewal Term, if any. Your renewal fee of five thousand dollars ($5,000.00) must accompany the renewal notice and is not refundable. You will be eligible to renew if at the time you give notice of your intent to renew and at all times through the Term then ending if you and your Affiliates are not in default under this Agreement or any other agreement with us, and you and your Affiliates have satisfied all monetary obligations then due and owing to us and our Affiliates. We will notify you within thirty (30) days after we receive your renewal notice if you are not eligible to renew. We may waive, in our sole discretion, any disqualifications for any Franchisee to renew its franchise. No waiver will provide or confer any right or benefit on any person except the affected Franchisee.

(d) Additional Conditions. Our consent will be further conditioned on maintaining eligibility to renew through the end of each Term, and on your satisfaction of the following conditions:

(1) You and your Owners must, at the times we specify, (i) at our request and after any disclosure required by law, execute our then current form of the franchise agreement and Personal Guaranty, (ii) perform the remodeling, repairs, and renovations described below that we may require, (iii) complete, at your expense any retraining program we may require, and (iv) execute a general release of any and all claims you, your Owners, and any guarantor may have against us and our Affiliates as of that time, except for such claims as may not be released in advance under applicable law.

(2) At the end of the Initial Term, at our request, you must upgrade your Franchised Store to our current point-of-sale system and other equipment.

(3) You may also be required to remodel and redecorate the customer facing areas of the Franchised Store and replace or reupholster seating according to the current Manuals at the time.

5. Fees & Security Interest.

(a) Initial Franchise Fee. You will pay us a non-refundable franchise fee when you sign this Agreement in the amount of Thirty Thousand Dollars (US$30,000.00).

(b) Royalty Fee. No later than ten (10) days after the end of each Reporting Period, you will pay us a royalty fee equal to six percent (6.0%) of the Gross Revenues of the Franchised Store during the preceding Reporting Period.

(c) Marketing Fee. You will also pay to us, when you pay your Royalty Fee, a Marketing Fee if, as and when required under this Agreement. You will pay the Marketing Fee to us in addition to the amounts you must spend under Sections 16 and 17 of this Agreement. The rate of the Marketing Fee as of the Effective Date is stated in Attachment A.

(d) Late Fee and Interest. Any late payments that you make pursuant to this Agreement will be subject to a Fifty dollar ($50.00) late payment fee and bear interest from their due date until paid at a rate equal to the lower of either 1.50% per month or the maximum interest rate allowable by applicable law.

(e) Taxes. You will pay us an amount equal to any federal, state, or local sales, gross receipts, use, value added, excise, or similar taxes assessed against us on the Royalty and Marketing Fees by the jurisdictions where your One Tea Store is located, but not including any income tax, franchise, or other tax levied on us for our privilege of doing business in the state where your One Tea Store is located. You will pay Taxes to us when due.

(f) EFT Payment. You will pay all amounts due to us after your One Tea Store opens by electronic means under the Automated Clearing House Payment Authorization attached as Attachment B or under any substitute form of authorization that we may require during the Term so that your fees will be paid by means of electronic funds transfer without the necessity of your transmitting a paper check to us.

(g) Security Agreement and Interest. As security for the payment of the foregoing amounts and performance of your obligations under this Agreement, you grant to use, our successors and assigns, a security interest in this Agreement, all signs, signage, décor items, supplies, equipment, and inventory containing any of the Proprietary Marks located at the Franchise Store. You grant us the authority and power to file a copy of the single page of this Agreement as part of any financing statement necessary to perfect and maintain our security interest during the Term, in any and all appropriate offices and public records. We may notify your other creditors and lender about the security interest and have no obligation to subordinate our interest to that of any other lender or secured creditor.

6. Franchise Store Development.

(a) Development Oversight. Except as specified in this Agreement and the Operations Manual, we are not obligated to provide any assistance in locating a site, negotiating a lease, conforming the premises to local codes and ordinances, obtaining permits, constructing, remodeling, or decorating. Except as specified in Section 7 of this Agreement, we are not obligated to assist in hiring or training employees. Except as specified in this Agreement, we are not obligated to provide equipment, signs, fixtures, opening inventory, and supplies.

(b) Location Selection. We will provide you with advice and consultation in the selection of sites for your Location. We will review the information you submit for each proposed site for the Location, conduct any investigation of the proposed site we deem appropriate to evaluate the site, and accept or reject the site within thirty (30) days after your submission of all initial and supplemental information we request regarding a proposed site. If we reject the site, we will give you the reasons for the rejection. Effective upon our acceptance, you acknowledge that you have selected and we have accepted the Location, and that our acceptance of your selection does not guarantee or warrant that the Location will be successful or that it represents the best site for the Franchised Store from among those available to you. You acknowledge that we may have provided you with advice and consultation the selection of sites for your Franchised Store through the use of the forms, criteria, and materials that we make available to franchisees. You have the opportunity to obtain independent advice on the site for your Franchise Store and are not relying on our review and evaluation.

(c) Lease. You must own or lease the Location at all times during the Term and provide us with a copy of the deed or lease of the Location before commencing development of the Franchised Store. We must approve the form and content of any Location lease and any modifications or amendments thereto before you sign the lease. We will review the lease, and accept or reject your lease for the Location within thirty (30) days after your submission of all initial and supplemental information we request regarding the proposed lease. You must obtain as part of the lease documentation a signed Lease Rider with the landlord in substantially the form attached as Attachment E when you provide us with a copy of the signed Location lease (the "Lease.") You must deliver a signed Lease or purchase contract for an approved site within ninety (90) days after the Effective Date. You have the option to secure a single thirty (30) day extension of the ninety (90) day period by written notice to us that you are exercising your extension option. The grant of any further extension is at our sole discretion.

(d) Plans. We will provide you with our standard renovation and finish plans, specifications and layouts for the interior build-out, mechanical and electrical systems, equipment, décor, and signs for a prototype One Tea Store. We will review your site plan and final plans and specification for conformity to System Standards. We will not unreasonably withhold or delay our approval, which is intended only to test compliance with System Standards, and not to detect errors or omissions in the work of your architects, engineers, or contractors. Our review does not cover technical, architectural, or engineering factors, or compliance with federal, state, or local laws, regulations, or code requirements. We will not be liable to your lenders, contractors, employees, customers, others, or you on account of our review or approval of your plans, or our inspection of the Franchised Store before, during, or after renovation or construction.

(e) Construction of Franchised Store. You will complete the construction or remodeling of the Franchised Store within the time specified on Attachment A. You will construct or remodel the Franchised Store in strict conformity with the site layout, plans, and specifications we approve. If we determine (before the Opening Date) that you have not constructed or remodeled the Franchised Store as we have approved, we may terminate this Agreement for cause, or obtain an injunction from a court of competent jurisdiction against the opening of the Franchised Store and compel you to specifically perform your obligation to construct or remodel the Franchised Store in strict conformity with the site layout, plans, and specifications, in addition to any other remedies available to us at law or in equity, without any obligation to furnish any bond or security. You will bear the expense of all engineering and architectural services incurred for your final construction plans and for obtaining approvals by the appropriate governmental authorities required under applicable law to construct, remodel, and occupy the Franchised Store.

(f) Furnishings, Fixtures, Equipment, and Other Personalty. You will install in and about the Franchised Store equipment, fixtures, furnishings, and other personal property that strictly conform to our System Standards and specifications in the Operations Manual. You will not display any other sign or advertising at the Franchised Store without our consent other than as permitted by the Operations Manual.

(g) Technical Services. You may engage any architect, construction manager, or contractor to assist you in developing the Franchise Store as long as the party you engage is duly licensed by the state of the Location. You shall furnish to us a copy of the certificate of occupancy and a certificate from your architect that the Franchised Store was built in accordance with the approved final plans and specifications, and in compliance with all applicable building codes, local, state, and federal laws, ordinances and regulations, including but not limited to the Americans with Disabilities Act and related regulations.

(h) Opening. The Franchised Store shall be opened to the public at the Location on the Opening Date only after you receive our authorization to do so, which you must request in writing on or after the date you receive the certificate of occupancy and at least seven (7) days in advance of the desired date for the Opening. In addition to and not in lieu of your other advertising obligations, you will conduct local advertising and promotion for the Franchised Store's grand opening (the "Grand Opening Advertising") that we specify in the Operations Manual or otherwise in writing. You will not open the Franchised Store without our prior written authorization. You will open the Franchised Store within nine (9) months of receiving our approval. We will have the right to withhold that authorization until (i) you complete (to our satisfaction) the construction or remodeling of the Franchised Store and furnish copies of all government approvals required before opening under applicable law, (ii) you complete preparation of the Franchised Store for the commencement of operations per the Operations Manual, and (iii) your management personnel and store personnel to be employed on the Opening Date complete the Manager Training program as required by this Agreement. You will notify us when you open for business. We will confirm the Opening Date in writing for the purpose of fixing the expiration date of the Initial Term.

7. Our Obligations. During the Term, we will provide you with the following services:

(a) Training.

i) We will provide the Owner-Operator and your general manager with four (4) weeks of Manager Training, covering the Franchised System and methods of operating a Franchised Store. There will be five (5) days of training per week, totaling twenty (20) days of training. This training is limited to two (2) predetermined personnel and the personnel may not be changed during the training period. Each person receiving training must follow the predetermined shift schedule and a timesheet to track attendance. This training and information will include a standard chart of accounts for use in the daily and periodic accounting of the Franchised Store. The Franchisee will compensate the trainees for their travel mileage at the rate of $0.50 per mile for vehicular travel and any travel and lodging expenses for air travel. We will provide orientation training for no additional tuition fee to your Owners who are not Owner-Operator at times and places and for durations we may designate. The initial Management Training Program is mandatory for the Owner-Operator and the general manager and is to be completed at a minimum of four (4) weeks prior to the Franchised Store Opening Date. Upon the final week of the Management Training program, our Training Director and/or Operations Director will conduct a thorough evaluation of the trainees as outlined in the Management Training manual. We may modify an Opening Date you propose based upon the projected date of successful completion of the Management Training program by the general manager and the Owner-Operator.

ii) We will provide one (1) week of management support, beginning on the Opening Date, at no charge to you. This week of support is limited to five (5) working days with eight (8) working hours per day.

iii) We require that you must always have a certified manager in the Franchised Store and/or be in the process of having a manager certified by passing the Management Training program. We will provide training at the times and places and for the duration we may designate for additional manager certifications. We may charge tuition that reflects our costs for training a replacement certified manager. You must pay the tuition for training in advance, and we will not refund the tuition if the replacement certified manager does not attend the training session.

iv) We may charge you reasonable tuition and reimbursement of expenses if we provide additional training at your request in your Franchised Store, or an Additional Training Fee plus expenses as described in Section 8(a). We currently do not charge for training material, but we may do so in the future.

v) If you are in default under the Franchise Agreement, and we elect to assume interim management of your One Tea Store during the pendency of any cure period or in lieu of immediately terminating your Franchise Agreement, we may charge you a reasonable fee for our management services, where the amount of the fee is to be determined at that time.

(b) Operations Manual. We will loan you one copy of the Operations Manual.

(c) Approved Products, Services, and Suppliers. We will publish a list of approved suppliers and their respective approved products and services in the Operations Manual and/or in other written or electronic communications to you. As new suppliers, products, and services become available, we will amend the list. We may also publish in the Operations Manual the procedures and fees for obtaining approval of any supplier you wish to nominate to become an approved supplier. We may deny approval of any nominee in our sole discretion. We or an Affiliate may be the sole approved suppliers for proprietary goods or services, or for goods and services we deem integral parts of the Franchised System that must be supplied on a consistent, uniform basis to all franchisees. We or our Affiliates may earn a profit from providing purchasing and procurement services, including receipt of fees from third party suppliers. As of the Effective Date, we have one Affiliate who is a sole source approved supplier, One Tea Taiwan, which provides proprietary goods.

(d) Opening Assistance. We will provide you with the services of at least one (1) trainer to assist you with the opening of the Franchised Store at no fee to you. Training after the one (1) week period will be charged to you at no more than the Additional Training Fee in Section 8(a).

(e) Marketing Assistance. We will provide you with the merchandising, marketing, and advertising research data and advice that we develop from time to time and deem helpful in the operation of a One Tea Store using the Franchised System.

(f) Evaluation Program. We will conduct periodic field evaluations, standards assessments, inspections, and reviews of the Franchised Store to test and promote its compliance with the System Standards and quality control. We may implement customer evaluation and feedback programs, mystery shopper programs, and independent inspection programs.

(g) Advice and Communications. We will provide you with periodic individual or group advice, consultation, and assistance by personal visit, by telephone, electronic communication, or by newsletters or bulletins that we may make available to our franchisees from time to time. We will provide you with any materials in any medium that we may adopt to communicate with our franchisees.

(h) Other Assistance. We will provide you with the other resources and assistance that we may develop and make generally available to all of our other franchisees.

8. Your Obligations. During the Term, your obligations are as follows:

(a) Training.

(i) You will not open or operate the Franchised Store without having at least one (1) certified manager working full-time at the Franchised Store who has completed our Management Training program. If a certified manager leaves your employment for any reason, you must hire a replacement manager within thirty (30) days who must attend Management Training when available. You must pay tuition at the rate of up to one hundred dollars ($100.00) per hour for each additional operator, with a maximum of two (2) new additional operators per Training Group. As of the Effective Date, we charge an Additional Training Fee of $100.00 per hour for trainers we provide at your request for additional training at your Franchised Store. We may change this rate at any time in the Operation Manual. You are responsible to pay all compensation, benefits, and travel expenses for your trainees in the Management Training program. You must furnish proof of worker's compensation insurance coverage for such persons before their training begins. Your trainees will not be considered borrowed servants of ours or our Affiliates for any purpose, and they will at all times remain under your control and supervision. Any of your employees who attend our Management Training program must sign a Confidentiality and Non-Competition Agreement before such training starts in substantially the same form attached as Attachment D.

(ii) All of the trainees will be trained by us or by another certified trainer. We will specify in the Operations Manual the procedures to obtain and maintain training requirements.

(iii) At your expense, you will reimburse trainees for their travel to the training location of our choice during the training period at the then-current rate specified by the IRS.

(b) Operation of Franchised Store. You will maintain and operate the Franchised Store under the Franchised System in strict conformity with the System Standards and policies, as amended. You will maintain the Location and the Franchised Store in clean, safe, and sanitary condition, consistent with sound health and sanitation practices. You also will maintain and operate the Franchised Store in compliance with all applicable governmental laws, rules, regulations, and ordinances. Any conflict between the System Standards and any applicable government requirement will be resolved in favor of the more stringent standard. You will not engage in any business or offer any products or services at the Franchised Store not a part of the Franchised System without our consent. You will obtain as and when needed all governmental permits, license, and consents required by law to construct, acquire, renovate, operate and maintain the Franchised Store and to offer all products and services you advertise or promote. You will pay when due or properly contest all federal, state, and local payroll, withholding, unemployment, beverage, permit, license, property, ad valorem, and other taxes, assessments, fees, charges, penalties, and interest, and will file when due all government returns, notices, and other filings. You will comply with all applicable federal, state, and local laws, regulations, and orders applicable to you and/or the Franchised Store, including those combating terrorism such as the USA Patriot Act and Executive Order 13224.

(c) Approved Products, Services, and Suppliers. You will follow the System Standards and specifications we establish for goods, products, and services procured for the operation of the Franchised Store. We will have the right to require you to obtain any product or service used in the operation of the Franchised Store from us, our Affiliates, or suppliers we approve.

(d) Telephone Listings, Domain Names, Web Sites, and Social Media. You will not register, acquire, or maintain control over any domain name, web page, or social media account that describes or advertises the Franchised Store or otherwise contains, uses, or displays our Proprietary Marks or Intellectual Property, or links to our website, without our prior consent.

(e) Franchised Store Condition. If the Franchised Store suffers physical damage, you will restore the Franchised Store to reflect the then current image, design, and specifications of a One Tea Store. If a casualty substantially destroys the Franchised Store, you may elect to terminate this Agreement in lieu of restoring the Franchised Store unless your financing obligates you to restore and operate the Franchised Store.

(f) Upgrades of Franchised Store. We may require you to upgrade your Franchised Store to conform to changes in our System Standards, which may include new signage, image, décor, equipment, technology, and image standards for new One Tea Stores. We will not require any such upgrade before the expiration date of the Initial Term or any renewal term unless mandated by law.

(g) Your Employees. You must recruit, hire, train, schedule, equip, discipline, manage, and supervise a competent, conscientious staff to meet our System Standards, compliant with such uniforms and/or dress code as we may prescribe in the Operations Manual, and take such steps as are necessary to ensure that your employees preserve good customer relations and the goodwill of the Franchised System.

(h) Life Safety. You must operate and maintain the Franchised Store to meet the health and life safety standards and rating applicable to the operation. You must furnish to us, within five (5) days after receipt thereof, a copy of all inspection reports, warnings, citations, certificates, and/or rating resulting from inspections conducted by any federal, state, or municipal agency with jurisdiction over the Franchised Store. The Franchised Store's failure of any health, sanitation, food-related, or life safety inspection is a material breach of this Agreement and must be remedied with the time frame specified in the applicable regulations or code.

(i) Material Contracts. You must comply with your obligations under the Lease and any note, indebtedness, mortgage, deed of trust, security deed, equipment lease, supply agreement, utility contract, service agreement, and other material contracts ("Material Contracts") applicable to you or the Franchised Store and necessary to operate the Franchised Store in compliance with System Standards. You shall furnish to us, within ten (10) days after your receipt, a copy of all notices, letters, warnings, or any other communications from the counterparty of any Material Contract regarding any default under or termination of any Material Contract. You must furnish a copy of any amendment, modification, replacement, or supplement to the Lease.

9. Technology, Communications, and Internet.

(a) Computer Systems and Required Software. We have the right to specify in the Operations Manual or otherwise in writing that you acquire and use in the operation of the Franchised Store electronic data collection, storage, reporting, exchange, and interchange capability and services, including certain brands, types, makes, and models of communications, hardware and software systems, peripherals and equipment, including without limitation (i) back office accounting, inventory, and management systems, (ii) storage, retrieval, and transmission systems for data, audio, video, and voice files, (iii) point of sale systems or such other types of cash registers as we may designate or approve ("POS Register Systems"), (iv) physical, electronic, and other security systems and procedures, (v) archival back-up systems, (vi) internet access capability and connectivity, and (vii) customer-facing marketing, ordering, entertainment, audio, video, internet access points, and service systems (together, the 'Technology"). We have the right, but not the obligation, to develop or have developed for us, or to designate computer software programs and accounting system software that you must use as part of the Technology ("Required Software") You shall install, learn, use, and integrate all updates, supplements, modifications or enhancements to the Required Software when we so require. We may specify in the Operations Manual or otherwise the tangible media upon which you shall record data, the database file structure of the Technology, and the requirements to ensure your compliance with legal and payment card industry security standards. You shall implement and periodically make upgrades and other changes to the Technology as we request in writing (together, 'Technology Upgrades") for all Franchised System Stores. We may be the sole supplier of proprietary Technology or Technology Upgrades that we develop or acquire for use at all Franchised Stores.

(b) Data. We may specify in the Operations Manual or otherwise in writing the information that you shall collect and maintain on the Technology. You will maintain your POS Register Systems and management systems so that we may access them at our discretion. You shall provide to us such reports as we may reasonably request from the data so collected and maintained. All data you are provided to use, transfer to us from your Technology, and download from us to your Technology will be owned exclusively by us or the data source we identify. We will have the right to use such data in any manner we deem appropriate without compensation to you. All other data you capture, create, or collect in the operation of the Franchised Store or from your affiliation with us (including without limitation customer and transaction data), is and will be owned exclusively by us during the Term of and following the expiration or termination of this Agreement. You must provide to us in the format we require copies or original files of such data at our request. We license the use of such data back to you, at no additional cost, solely for the Term and solely for your lawful use in the business franchised under this Agreement. You may not lease, sell, or rent such data to others.

(c) Customer Facing Technology. We may mandate that you offer free wireless internet access or other accepted means of communication for customers of the Franchised Store. We may also mandate customer facing technologies in the future.

(d) Privacy and Security. You shall abide by all applicable laws and payment card industry standards pertaining to the privacy and security of consumer, employee, and transactional information ("Privacy Laws"). You shall comply with our System Standards and policies pertaining to Privacy Laws. If there is a conflict between our Standards and policies pertaining to Privacy Laws and applicable law, you shall (i) comply with the requirements of the applicable law, (ii) immediately give us written notice of said conflict, and (iii) promptly and fully cooperate with us and our counsel to determine the most effective way, if any, to meet our System Standards and policies pertaining to Privacy Laws within the bounds of the applicable law. You shall not publish, disseminate, implement, revise, or rescind a data privacy policy without our prior written consent. You shall encrypt personally identifiable information about customers and employees as required by Privacy Laws or the Operations Manual and follow all notification requirements, with a copy of all of your outbound notices to us, if any data breach, hack, or unauthorized access event occurs.

(e) Websites. Unless we otherwise approve in writing, you shall not establish a separate website, but shall have one or more references or webpages, as we designate and approve in advance, within our website. However, you may request to establish a separate website and shall submit to us with your request, for our prior written approval, a sample of the proposed website domain name, format, visible content (including without limitation proposed screen shots) and non-visible content (including without limitation meta tags) in the form and manner we may reasonably require.

(f) Online Use of Marks and E-Mail Solicitations. Except as specified in this Agreement and the Operations Manual, you shall not use the Proprietary Marks or any abbreviation or other name associated with the Franchised System or us as part of any e-mail address, domain name, and/or other social media identifiers in any electronic medium. You shall be solely responsible for compliance with any laws pertaining to sending emails including but not limited to the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (the "CAN-SPAM Act").

(g) Internet and Social Media Use. We reserve the right to establish, modify, and terminate policies and procedures about Internet marketing, publicity, social media, blogging, and other activity as part of the System Standards included in the Operations Manual. You shall not register, purchase, or obtain the right of control of content offered under any domain name or website that includes any Proprietary Mark except with our prior written consent. Under no circumstances shall you use social media accounts associated with the Franchised Store to defame or disparage us or our Affiliates, any supplier, customer, or patron of your Franchised Store, or engage in any publication or activity that is detrimental to the goodwill of the Proprietary Marks, the One Tea brand, or the Franchised System.

(h) Prohibitions. You are prohibited from using the Proprietary Marks, including "ONE TEA" to (i) incur any obligation or indebtedness on behalf of yourself or us, and (ii) be all or part of your entity name or other legal name, or as part of any email address or other electronic media address, URL, social media identifier, user name, or other identification of you or your Owners in any electronic medium, except as we expressly authorize in writing, in the Operations Manual or in any policy we issue regarding internet advertising, marketing, social media, email, and other online activity.

(i) No Outsourcing Without Prior Approval. You shall not hire third party or outside vendors other than our Affiliates to perform any services or obligations related to the Technology, Required Software, or any other of your obligations under this section, without our prior written approval. We may condition our consideration of any proposed outsourcing vendor(s) upon, among other things, such as third party or outside vendor's entry into a Confidentiality Agreement with us and you in a form we provide.

(j) Changes to Technology. The parties acknowledge that technology used in the One Tea Store business is dynamic and not subject to predictable patterns of development and change. To keep pace with technological needs and opportunities and to support the competitiveness of the Franchised System, you acknowledge that we shall have the right to establish, in writing, new revised System Standards for the implementation of technology as part of the System. You shall abide by those new or revised System Standards as implemented on a System-wide basis.

10. Email Communication. You acknowledge that we are entitled to reply upon email to communicate with you as part of the economic bargain underlying this Agreement. To facilitate the use of email to exchange information between you and us, you will maintain email capabilities as specified in the Operations Manual. You authorize the transmission of email from us and to us, vendors, and our Affiliates on matters pertaining to the business contemplated under this Agreement. You will provide us with the current email address, and shall immediately notify us of any change of email address and any technical problems which may delay communications by email.

11. Covenants Not to Compete. During the Term, you may not engage, either directly or indirectly, through any financial or beneficial interest in any other Person or in any Competing Business. For a period of one (1) year after the termination or expiration of this Agreement for any reason, you may not engage in any Competing Business.

12. Confidential Information. You acknowledge you have no interest whatsoever in the Franchised System except the license in this Agreement. You acknowledge that the Franchised System constitutes our proprietary information including some Confidential Information and that the use or duplication of the Franchised System other than as permitted under this Agreement will constitute an unfair method of competition. You will not use the Franchised System in any business or in any capacity for the benefit of any Person except as permitted under this Agreement or another written agreement with us. You will take all appropriate steps to preserve the confidentiality of all Confidential Information. Access to Confidential Information should be limited to persons who need the Confidential Information to perform their jobs and are subject to your general policy on maintaining confidentiality as a condition of employment or who have first signed a confidentiality agreement in the form attached to this Agreement, included in the Operations Manual, or otherwise acceptable to us. You will not permit copying of Confidential Information. You will use Confidential Information only for the Location and to perform under this Agreement. Upon termination (or earlier, as we may request), you shall return to us all originals and copies of the Systems Standards, Manuals, policy statements, and Confidential Information "fixed in any tangible medium of expression," within the meaning of the U.S. Copyright Act, as amended. Your obligations under this subsection commence when you sign this Agreement and continue for trade secrets as long as they remain secret; for other Confidential Information, for as long as we continue to use the information in confidence, even if edited or revised, plus three (3) years.

13. Franchised System Management.

   (a) Ownership. We represent with respect to the Proprietary Marks that we are the owner of all rights, title, and interests in and to the Proprietary Marks. We and our Affiliates have taken and will take all steps reasonably necessary to preserve and protect the ownership and validity in and of the Proprietary Marks.

   (b) Display of Marks. Your use and display of the Proprietary Marks will be subject to the following: (i) you shall use only the Proprietary Marks we designate, in the manner we authorize and permit under this Agreement and the Operations Manual, (ii) you shall use the Proprietary Marks only for the operation of the Franchised Store, (iii) unless we otherwise authorize or require, you shall operate the Store only under the name "One Tea" without prefix or suffix, (iv) during the Term, you shall identify yourself (in a manner reasonably acceptable to us) as the owner of the Franchised Store when you make any use of the Proprietary Marks, including but not limited to uses on invoices, order forms, contracts, and the display of a notice in such content and form and at such conspicuous locations on the premises of the Franchised Store as we may designate in writing, (v) your right to use the Proprietary Marks is limited to such uses as are authorized under this Agreement and the Operations Manual, and any unauthorized use thereof shall constitute an infringement of the rights of the owner of the Proprietary Marks, and (vi) you shall execute any documents deemed necessary by us or our counsel to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability.

(c) Infringements. You shall promptly notify us of any suspected infringement of the Proprietary Marks, any known challenge to the validity of the Proprietary Marks, or any known challenge to our ownership of, or your right to use, the Proprietary Marks we license to you. You acknowledge that we shall have the sole right to direct and control any civil, administrative, or other proceeding involving the Proprietary Marks, including settlement. We shall also have the sole right, but not obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks. If we undertake the defense or prosecution of any litigation relating to the Proprietary Marks, you shall execute any and all documents and do such acts and things as may, in the opinion of our counsel, be necessary to carry out such defense or prosecution, including without limitation becoming a nominal party to any legal action.

(d) Our Defense of You. If you use the Proprietary Marks in compliance with this Agreement, we will defend you at our expense against any third party claim, suit, or demand involving the Proprietary Marks arising out of your proper use thereof. We will reimburse you for your out-of-pocket costs in doing what we request under this Section, excluding the compensation costs of your employees, and we will pay the cost of any judgment or settlement. If such litigation is the result of your use of the Proprietary Marks in a manner not in compliance with this Agreement, you shall reimburse us for the costs of such litigation, including without limitation our attorney's fees and the cost of any judgment or settlement.

(e) Reservation of Rights. You expressly understand and acknowledge that (i) we and our affiliates are the owners of all rights, title, and interests in and to the Proprietary Marks and the goodwill associated with and symbolized by them, (ii) the Proprietary Marks are valid and serve to identify the Franchised System and those who are authorized to operate under the Franchised System, (iii) neither you nor any of your Owners shall, directly or indirectly, seek to register the Proprietary Marks with any government agency, except with our express prior written consent, (iv) your use of the Proprietary Marks does not give you any ownership interest or other interest in or to the Proprietary Marks, except the license granted by this Agreement, (v) any and all goodwill arising from your use of the Proprietary Marks shall inure solely and exclusively to our benefit, and upon expiration or termination of this Agreement and license under this Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with your use of the Franchised System or the Proprietary Marks, and (vi) the right and license of the Proprietary Marks granted to you is not exclusive, and we have and retain the rights, among others:

(1) to use the Proprietary Marks ourselves to offer services and sell products;

(2) to grant other licenses for the Proprietary Marks, in addition to those licenses already granted to existing franchisees, and

(3) to develop and establish, or to become affiliated with, other systems using the same or similar marks to Proprietary Marks and other Proprietary Marks not yet in existence, and to grant licenses thereto without providing any rights therein to you.

(f) Substitute Marks. We reserve the right to substitute different Proprietary Marks for use in identifying the Franchised System and the store business operating thereunder if our currently owned Proprietary Marks can no longer be used, or if we determine that substitution of different Proprietary Marks will be beneficial to the Franchised System.

(g) Control of the Franchised System. We control and establish requirements for all aspects of the Franchised System. We may, in our discretion, change, delete from, or add to the Franchised System, including any of the Proprietary Marks or System Standards, in response to changing market conditions. We may, in our discretion, permit deviations from System Standards, based on local conditions and our assessment of the circumstances.

(h) Improvements. All present and future distinguishing characteristics, improvements, and additions to or associated with the Franchised System by us, you, or others shall be our property and will inure to our benefit, including without limitation all new and improved recipes and preparation instructions for menu items, ingredients, new menu items and the like, all present and future service marks, trademarks, trade dress, copyrights, and registrations thereof used and to be used as part of the Franchised System, and the associated goodwill. You acknowledge that System Standards include non-functional trade dress that is an integral part of the Franchised System, and you covenant that you will not, directly or indirectly through an affiliate, use the trade dress in any structure that is not the Franchised Store. You also acknowledge that such Intellectual Property includes any recipes, ideas, inventions, concepts, instructions, techniques of preparation, display, or service, or other know-how developed, marketed, or licensed as part of the Franchised System, whether created by us, an Affiliate, a predecessor, licensor, or by you with our approval as outlined in the Operations Manual. You grant to us a non-exclusive, perpetual, royalty-free, worldwide license of all recipes, concepts, instructions, ideas, inventions, techniques of preparation, display, or service, or other know-how, advertising materials, and trade secrets created by or for you for use in, by, or for the Franchised Store, and you acknowledge that we and our Affiliates may incorporate, modify, supplement, sublicense, or otherwise commercialize such information as part of the Franchised System or in any other manner. At our request and expense, we may require you to execute and deliver an assignment of the ownership rights to any such Intellectual Property or such other writing as we may request to transfer ownership to us, or pursue registration or other legal protection for such Intellectual Property.

(i) Operations Manual. During the Term, we will provide you with access to the Operations Manual, one (1) copy of which you acknowledge having received on loan from us, in a format we choose (including without limitation paper, CD/DVD, electronic). We may from time to time revise the contents of the Operations Manual, and you will follow our instructions to make corresponding revisions to all of your copies of the Operations Manual and to comply with each change in any System Standard. If there is any dispute as to the contents of the Operations Manual, the master copy of the Operations Manual we maintain in our home office shall be controlling. If you misplace the Operations Manual or fail to return it to us upon demand, you will pay a $100.00 Manual Replacement Fee.

(j) Manual Controls. The Operations Manual shall at all times remain our sole property regardless of format and shall at all times be kept, along with the access codes and procedures for electronic version, in a secure place on the Franchised Store premises. You shall at all times treat the Operations Manual, any other written material created for or approved for use in the operation of the Franchised Store, and the information contained therein as confidential and shall use all reasonable efforts to maintain such information as proprietary and confidential. Except for those portions of the Operations Manual that we designate in writing as appropriate for copying and use at the Franchised Store, you shall not copy, duplicate, record, or otherwise reproduce the foregoing materials, in whole or in part, nor otherwise make the same available to any unauthorized person.

14. Reports and Records. Ten (10) days after the Reporting Period ends, you will deliver to us a statement of the Gross Revenues and Net Cash Sales for the preceding month. Within twenty (20) days after the end of each calendar quarter, you will deliver to use a complete profit and loss statement for the Franchised Store in a form prescribed by us (and other statistical reports which we may require under the Operations Manual) for the previous quarter. You also will send us a copy of all sales tax returns filed for the Franchised Store as and when filed with each appropriate taxing authority. Within ninety (90) days after the end of each fiscal year, you will deliver to us a complete profit and loss statement covering the operations of the Franchised Store for the preceding fiscal year and a balance sheet dated as of the close of that fiscal year. You will keep all records of the Franchised Store for at least seven (7) years after the end of the fiscal year in which they are created in a manner and form satisfactory to us, and you will deliver any additional financial, operating, and other information and reports which we may request on the form and in the manner we prescribe in the Operations Manual. We will have the right to assemble and disseminate to third parties financial and other information regarding you and other franchisees to the extent required by law or to the extent necessary or appropriate to further the interests of the Franchised System as a whole. We will have the right to disclose your business name, address, and telephone number as they appear in our records for our Franchise Disclosure Document and to any person making inquiry as to the ownership of the Franchised Store. We will not disclose specific financial information regarding you or the Franchised Store to any Person without (i) your consent or (ii) compulsion of law.

15. Inspection, Testing, and Audit. We will have the right to inspect your Franchised Store at any time during or immediately before or after regular business hours during the Term, with or without notice to you, as part of our evaluation and quality assurance programs. You will also permit us or our agents, at any reasonable time, to remove samples of food or non-food items from your inventory or from the Franchised Store, without payment for such items, in amounts reasonably necessary for testing by us or an independent laboratory to determine whether said samples meet our then-current System Standards and specifications. In addition to any other remedies we may have under this Agreement, we may require you to bear the cost of such testing if the supplier of the item has not been previously approved by us or if the sample fails to conform to our specifications. We also will have the right to audit your POS systems, accounts, books of original entry, records, and tax returns (including without limitation state and local tax reports and federal, state, and local income tax returns) at all times during and after the Term. You will make copies of those items available for audit at our corporate offices at your cost. If the audit discloses that Gross Revenues actually exceeded the amount you reported, you immediately must pay us any additional fees required by Section 5, plus the late fee and interest at the rate specified in Section 5, within 15 days of receipt of audit report. If the audit discloses that Gross Revenues exceeded the amount reported by an amount equal to two percent (2.0%) of the originally reported Gross Revenues or more, you must also reimburse us for our out-of-pocket costs, allocable administrative costs, and overhead incurred for the audit and its enforcement.

16. Franchised Store Marketing. We reserve the right to conduct all marketing and advertising for the Franchised Store. This does not include amounts spent on sign rental, paper products, or service items which may contain one or more of the Proprietary Marks for use in the Franchised Store, which will be paid for by you. You must obtain our written approval for all materials, strategies, promotions, and advertising that you may engage in locally, at your own expense, for the promotion of your Franchised Store.

17. Special Event Marketing. We will consider proposed advertising and promotional materials for local special event marketing, if conducted in a dignified manner and in compliance with our System Standards. You will submit for our approval all advertising and promotional materials that you wish to use at least thirty (30) days before making any financial commitment to use the materials. We will give you notice of any objections to the proposed material within ten (10) days after their receipt. If you fail to discontinue the use of any unapproved materials within two (2) days after the notice from us, we may enter the Franchised Store, remove any unapproved materials, and hold the materials for proper disposition according to your instruction.

18. Customer Loyalty Programs. We reserve the right to implement customer loyalty programs, promotions, or gift card sale programs, with at least thirty (30) days' notice to the Franchised Store. All customer loyalty programs will be described in the Operations Manual.

19. One Tea Brand Marketing. At our sole discretion, we may engage in marketing, advertising, promotional, public relations, and other similar activities intended to benefit One Tea Stores

generally and the One Tea Brand. Those activities may include, without limitation, market research, customer loyalty and reward programs, and product research and development. We do not warrant or guarantee that you will receive or derive any benefit from our marketing activities. We may make a reasonable number of copies of all materials produced by our marketing efforts available for your use and a fee may be charged for additional copies at our discretion. We may suspend, terminate, and reinstate particular marketing efforts at any time.

20. Publicity and Promotional Materials. We will have the right to photograph the Franchised Store and to use the photographs in any of our publicity or advertising programs. You consent to such photography and use, and covenant to cooperate in securing the photographs and the consents of any individuals pictured. You will place franchised recruitment advertising material in the Franchised Store if and when we so request.

21. Insurance.

(a) Before opening the Franchised Store, you must obtain and thereafter maintain during the Term the following minimum amounts and policy forms of insurance from a responsible carrier or a carrier authorized to write coverage in your state with an A.M. Best Rating of at least “A” and that we find acceptable. The type of coverage includes:

i) Commercial General Liability coverage ($1 million single limit per occurrence, $2 million general aggregate limit, for both general liability and products/completed operations liability) for personal injury and property damage, including premises, independent contractors, products, and completed operation, advertising liability, on occurrence basis, with coverage on a 1986 or later ISO commercial general liability form policy,

ii) All Risk property coverage including a property damage limit for the full cost of replacement of the Franchised Store and business interruption coverage for up to twelve (12) months of projected earnings,

iii) Business Automotive Liability covering liability arising out of any auto (including owned, hired, and non-owned autos), with a minimum of $1 million combined single limit each accident,

iv) Workers’ Compensation or legally appropriate alternative covering all employees and contractors working at the Franchised Store for statutory limits and Employers Liability, with minimum limits of $500,000 bodily injury for each accident, $500,000 bodily injury by disease for each employee, and $500,000 bodily injury disease aggregate,

v) A $1 million Umbrella Policy on an occurrence basis covering excess of the underlying insurances described in (i), (iii), and (iv) above which is at least as broad as each and every underlying policy, provided that you may purchase more underlying coverage and less umbrella coverage under such policies as long as you maintain the total amount of the limits specified for each coverage area,

vi) Other insurance as may be required by the state or locality of the Franchised Store,

vii) (Optional) Employment practices liability insurance with a limit of $500,000,

viii) (Optional) Employee Dishonesty/Fidelity insurance with a limit of $100,000.

(b) Other Provisions. All of the liability insurance policies, other than Workers' Compensation, must name us, Oneness City, Inc., and our respective officers as additional insureds on a primary basis for operations of the Franchised Store. The form of additional insured endorsement will be ISO CG 2010 Form B or its equivalent. If the additional insured has other insurance applicable to a loss, it will be on an excess or contingent basis. The additional insured's insurance coverage will not be reduced by the existence of such other insurance. Your policies must constitute primary policies of insurance with regard to other insurance, must contain a waiver of subrogation provision in favor of us as it relates to the operation of the Franchised Store, and must provide for at least thirty (30) days' notice to us prior to cancellation, non-renewal, or amendment. Your policies may provide the minimum limits set forth above through a single policy or through the combination of primary and umbrella policies. We may modify the policy limits, policy requirements, and coverage types during the Term in the Operations Manual.

(c) Certification of Insurance. Before you commence renovation or construction of the Franchised Store, you must furnish us with certificates of insurance evidencing that you have obtained the required insurance in the forms and amount as specified above. You must deliver evidence of the continuation of the required insurance in the forms and amount as specified above. You must deliver evidence of the continuation of the required insurance policies at least thirty (30) days prior to the expiration dates of each existing insurance policy. If you fail to acquire and maintain the required insurance coverage we will have the right (but not the obligation), at your expense, to acquire and administer the required minimum insurance on your behalf. We may end all our duties with respect to the administration of any required insurance policies by giving you ten (10) days' written notice.

(d) Remedial Insurance. If you, for any reason, shall fail to procure or maintain the insurance required by this Agreement and the Operations Manual, we shall have the right and authority (without the obligation to do so) immediately to procure such insurance and to charge the cost to you together with a reasonable fee for acquiring each policy. You shall pay the same to us immediately upon notice.

22. Assignments & Transfers.

(a) Our Assignments. We may assign, delegate, or subcontract all or any part of our rights and duties under this Agreement, including by operation of law, without notice and without your consent. You are not the third party beneficiary of any contract with a third party to provide services to you under this Agreement. We may dissolve, terminate, and wind up our business under applicable law but we will transfer the Franchised System and this Agreement to a party that will perform the franchisor's obligations and that will assume this Agreement in writing. We will have no obligations under this Agreement except those that arise before we assign this Agreement.

(b) Your Assignments. The Agreement is personal to you (and your Owners if you are an entity). We are relying on your experience, skill, and financial resources (and that of your Owners and the guarantors, if any) to enter into this Agreement with you. You may not directly or indirectly transfer, assign, grant a security interest in, or pledge any direct or indirect interest in this Agreement, the Franchised Store, the Location, or in you to any Person without our prior consent, which we may withhold or condition in our sole discretion. We condition our consent on satisfaction of one or more of the following: (i) the proposed transferee must satisfy all of the requirements and conditions then being used to qualify as a new franchisee of ours, (ii) the proposed transferee must comply with Section 24, (iii) you must satisfy all of your monetary obligations then due and owing to us and our Affiliates, (iv) you must cure all existing defaults under this Agreement, (v) you and your guarantors must execute and deliver a general release of all claims and causes of action against us and our Affiliates, (vi) the transferee must execute and deliver our then-current form of franchise agreement with the same expiration date and remaining renewal term (if any) as set forth in this Agreement, and (vii) you must pay us a transfer fee equal to fifty percent (50.0%) of the initial franchise fee we then charge. If you are an individual, then in the event of your death, permanent disability, or appointment of a guardian for you, this Agreement will terminate ninety (90) days after your death, permanent disability, or appointment of a guardian, unless we give our consent within that 90-day period to the assignment of this Agreement to a successor in compliance with this paragraph.

23. Rights of First Refusal and Purchase Option.

(a) Prior to the sale or transfer of any interest that constitutes control (the "Offered Interest") of the Franchised Store or of you, you must notify us of the proposed sale or transfer and deliver to us the name and address of the proposed purchaser or transferee, the proposed purchase price, and all other terms and conditions of the proposed sale or transfer of the Offered Interest. In addition, you must deliver to us one photocopy of all proposed purchase agreements, if any, all other agreements and instruments signed and to be signed in the transaction, and copies or electronic access to all diligence, offerings, and other materials furnished to the proposed purchaser as part of the selling process. Within thirty (30) days after we receive the foregoing notice and materials, we will have the right and option to send notice to you that we intend to acquire the Offered Interest on the same terms and conditions as contemplated by the third party. If we do not send notice of our intent to acquire the Offered Interest within the 30-day period, you may proceed with the sale or transfer as disclosed to us, subject to our rights as set forth in Section 22 of this Agreement, as long as the terms and conditions of the sale or transfer stay identical to the those originally disclosed to us. Our failure to exercise our right of first refusal will not constitute a waiver of any provision of this Agreement or our right of first refusal as to any subsequent proposed sale or transfer. Any material change in the terms of the proposed sale or transfer prior to closing will constitute a new sale or transfer, subject to the same right of first refusal by us as for the initial sale or transfer. Any sale or transfer attempted without first giving us the right of first refusal specified in this Section will render the attempted sale or transfer null and void. We may utilize the remedy of specific performance to enforce this right.

(b) Within thirty (30) days before or after the termination or expiration of this Agreement, we have the right and option to purchase the Franchised Store's tangible assets and assume the lease for the Location. We will give you notice of our intent to purchase within this time frame, and in response you will provide us with current copies of the lease for the Location, a complete schedule of the Franchised Store's tangible assets and their book value, a profit and loss statement for the twelve (12) months preceding the date of the notice and a copy of all federal and state sales and income tax returns and tax payment verification that the Franchised Store and your franchisee entity filed during or for that period, a list of employees and their current compensation, and a list of all vendors and suppliers for the Franchised Store. We will send you a written offer to purchase the assets at fair market value within ten (10) days after we receive all of this information, together with the conveyancing documents. If you do not accept the offer within that time, you may make a counter offer within ten (10) days after you receive our offer. If we do not accept the offer and we elect to proceed with the transaction, then the purchase price for the tangible assets will be the greater of (i) the book value of the tangible assets shown on the schedule you send us, or (ii) five (5) times the earnings before interest, taxes, depreciation, and amortization shown on the profit and loss statement you sent to us. We will hold back from the purchase price an amount equal to the unpaid state sales taxes for the months you have not paid plus two (2) months until you provide a state sales tax clearance letter from your state. We will close the transaction within ten (10) days after the purchase price has been determined or agreed, subject to your first obtaining consent of the landlord of the location to the assignment of the lease. If that consent has not been obtained with twenty (20) days after the price has been determined, then we may abandon the transaction at any time before the consent is obtained. We will cooperate to obtain such consent, but will not agree to modification of the Location lease or providing a personal guaranty as a condition to such consent.

24. Business Entity Franchisee. If you constitute a business entity, each of your Owners must execute the Guaranty and Restriction Agreement attached as Attachment C. Your certificate of incorporation, shareholders' agreement, partnership agreement, trust agreement, operating agreement, or other similar agreement (a "Core Agreement") must provide that your purpose will consist only in the development, ownership, operation, and maintenance of a One Tea Store. The Core Agreement must prohibit the issuance of any additional equity ownership interests or the transfer, assignment, or pledge of any issued equity ownership

interests without our consent and must provide that each certificate or document issued to evidence any equity ownership interest will contain a legend disclosing the foregoing restriction. In giving our consent under Section 22 to any issuance or transfer of your equity interest, we may in our discretion impose one or more conditions, including without limitation the requirement that the individual beneficial owner of the equity ownership interest execute the form of Guaranty and Restriction Agreement attached as Attachment C or a supplement to the original, such as is acceptable to us in form and substance, adding such person as a guarantor. You must deliver to us other documents demonstrating compliance with this Section when we so request.

25. Death or Appointment of a Guardian or Conservator or a Principal. Upon the death of an Owner, or the appointment of a permanent guardian or conservator to manage the Owner's affairs, the Owner's trustee, conservator or other personal representative may hold the deceased's equity interest in the franchisee entity for up to one (1) year and may only transfer the deceased's interest from the estate, a testamentary trust, or inter vivos trust to a third party we approve under the procedures set forth in this Agreement. If the Owner was the Owner-Operator, then we may treat the personal representative, trustee, or conservator as the Owner-Operator until you appoint someone else. Any failure to commence administration of the decedent's estate within ninety (90) days after death, or any distribution of the decedent's equity interest in the franchisee entity without our consent if such distribution operates as assignment, is a material breach of this Agreement.

26. Temporary Disability of Owner-Operator. If a physician, court, or administrative agency determines that an Owner-Operator has become temporarily disabled and incompetent to manage his or her own affairs, we have the right to require that a different Owner-Operator be appointed until the Owner's permanent status is determined. We may require that the Owner's equity interest be transferred to a third party acceptable to us following the assignment conditions and procedures in this Agreement if the temporary disability does not resolve within six (6) months after the temporary disability is determined.

27. Security Offerings. If you intend to engage in a public offering of your equity interests, then you must submit for our review your offerings materials or prospectus before you file the document or commence use. No offering by you or any affiliate shall imply (by use of the Proprietary Marks or otherwise) that we are participating in an underwriting, issuance, or offering of your securities or those of affiliates. Our review of any offering material shall be limited solely to the relationship between you and us (and any of our affiliates, if applicable), an accurate description of our Franchised System, and the absences of any disclosure of confidential information about us or the Franchised System. We may, at our option, require that the offering materials make a written statement we prescribe about the limitations stated in the preceding sentence. Your indemnification obligations in Section 34 include claims relating to your securities offering, disclosure materials, and compliance with applicable laws and regulations. For each proposed offering, you shall pay us a non-refundable fee of ten thousand dollars ($10,000) or such greater amount as is necessary to reimburse us for our reasonable costs and expenses (including legal and accounting fees) for reviewing the

proposed offering materials. You must submit your offering materials for our review at least thirty (30) days in advance of the anticipated filing or release date. Any such offering shall be subject to our approval as to the structure and voting control of the offeror (and you, if you are not the offeror) after the financing is completed.

28. Termination by You. If we substantially fail to perform any of our material obligations to you under this Agreement, you must give us written notice of non-performance and at least sixty (60) days to cure the failure. If the failure continues at the end of such 60-day cure period, you may terminate this Agreement on written notice to us delivered at any time before we cure the failure. You may not withhold the payment of any fees due under this Agreement during the pendency of the cure period, and any payment by you of fees accruing after the expiration of the cure period will be deemed a waiver of our default by you.

29. Termination by Us for Incurable Defaults. We may terminate this Agreement effective immediately (or at the earliest time allowed under law) upon written notice to you for any of the following events:

(a) You close or abandon the Franchised Store for a period of three (3) or more days in a seven (7) day period except for remodeling or vacation that we approved in advance,

(b) You or any of your Owners request the appointment of a receiver or have a receiver appointed for the Franchised Store, you, or any of your or their assets,

(c) You or any of your Owners become insolvent or make a general assignment for the benefit of your or their creditors,

(d) You or any of your Owners commence a case for relief or have an order for relief entered for you or them under the United States Bankruptcy Code,

(e) You or any of your Owners suffer a conviction for, or plead guilty or *nolo contendere* to a crime involving moral turpitude or any other crime reasonably likely, in our opinion, to have an adverse effect on the goodwill of the Proprietary Marks or our name and reputation with the consuming public of One Tea Stores,

(f) We discover a material inaccuracy in any of your representations in this Agreement or in any application you submitted to us to become a franchisee,

(g) You maintain false books or records, including tax records,

(h) You breach the same provision of this Agreement on three (3) occasions within any 12-month period, with our having given you the required notice of the first two (2) breaches (whether or not timely cured by you), or

(i) You commit a breach which, by its nature, you cannot cure or with regard to which you notify us that you do not intend to cure.

30. Termination by Us for Curable Defaults. We may terminate this Agreement if you fail to cure any monetary default after at least five (5) five business days' notice of the monetary default. We may terminate this Agreement if you fail to cure any non-monetary default after at least thirty (30) days' notice of the non-monetary default. A monetary default means your failure to make payments as and when due to us or our Affiliates, or to maintain the insurance required under this Agreement. A non-monetary default means (a) any default in the performance of any of your other obligations under this Agreement or any other agreement with us or our Affiliates, other than the failure to make any payments as and when due to us or our Affiliates, or (b) any condition which makes the continued operation of the Franchised Store more likely than not a danger to public health.

31. Certain Waivers.

(a) You and we waive the right to pursue and receive any exemplary and punitive damages against the other party in any dispute arising under this Agreement or relating to the franchise relationship, whether asserted as a related or independent tort, as a breach of contract, or as any other claim or cause of action based on constitutional, statutory, or common law.

(b) THE PARTIES WAIVE THE RIGHT TO A JURY TRIAL IN ANY ACTION RELATED TO THIS AGREEMENT OR THE RELATIONSHIP BETWEEN THE FRANCHISOR, THE FRANCHISEE, ANY GUARANTOR, AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS.

32. Obligations Upon Termination or Expiration.

(a) Upon the termination or expiration of this Agreement for any reason, all of your rights under this Agreement will terminate and you are obligated to (i) abide by the non-competition and confidentiality provisions contained in Sections 11 and 12 of this Agreement, (ii) promptly pay us and our Affiliates all amounts then due us and them, (iii) not use or adopt the Franchised System or any of the Proprietary Marks or Intellectual Property, (iv) remove from the Franchised Store all signs, emblems, and displays using Proprietary Marks or identifying it as associated with the Franchised System, (v) cease to use and return to us the Operations Manual and other proprietary materials delivered to you under this Agreement, (vi) change the exterior and interior design and décor of the Franchised Store and make any and all changes in signs, buildings, and structures which we direct to distinguish the building from its former appearance as a One Tea Store, (vii) cease to hold yourself out in any way as our franchisee or to do anything which would indicate any relationship between you and us, except pursuant to the terms of a separate agreement with us, and (viii) transfer to us all telephone listings, domain names, and online accounts for the Franchised Store or which contain, use, or display any of our Proprietary Marks or Intellectual Property. You will complete all modifications within thirty (30) days after the termination or expiration of this Agreement. If you fail to complete all modifications or fail to transfer or return such property within thirty (30) days as contemplated above in this Section, or should you indicate at such time earlier than thirty (30) days that you do not intend or are unable to comply with this Section, you appoint us as your attorney-in-fact to perform such acts in your stead and for your account. You will reimburse us for all of our cost and expenses, including without limitation administrative overhead and employee salaries, that we may incur in acting as your attorney-in-fact to perform such acts.

(b) You acknowledge that the parties cannot determine the exact amount of damages resulting from termination prior to the expiration of a term. If this Agreement terminates for any reason other than our material breach and our failure to cure the breach within a reasonable time after you give us written notice of the breach, but not less than thirty (30) days, then in addition to any and all other remedies and causes of action available to us, you will pay us liquidated damages in addition to amounts due to us accruing under this Agreement prior to termination. The amount of liquidated damages shall equal twice the total Royalty Fees paid by you in the twelve (12) Reporting Periods preceding the date of the written notice of the breach. You and we agree that it is a reasonable estimate of the actual damages which we will sustain as a result of the breach and it not a penalty. The liquidated damages will constitute neither a waiver of your obligation to comply with the foregoing post-termination requirements nor a license to use the Franchised System.

33. Our Option to Purchase. Upon the termination or expiration of this Agreement for any reason, we will have the option to purchase the Franchised Store, including the land or leasehold interest in the Location, improvements, fixtures, and equipment comprising the Franchised Store, at the fair market value of the Franchised Store. We will have the right to set off all amounts you owe us against any payment for the assets purchased. We will exercise our option under this Section by giving you notice of the exercise of the option at least thirty (30) days prior to the expiration of this Agreement or within thirty (30) days after the early termination of this Agreement. We will close the transaction within sixty (60) days after the exercise of our option. At the closing, you will transfer the assets comprising the Franchised Store to us by special warranty deed (or assignment of leasehold estate) and bill of sale in form and substance acceptable to us. You and we will resolve any dispute regarding the fair market value of the Franchised Store by arbitration, provided that the arbitrator shall be an accountant or investment banker experienced with the valuation of businesses similar to the Franchised Store. Such proceeding will be final and binding arbitration under the Rules for Commercial Arbitration of the American Arbitration Association. The Federal Arbitration Act will apply. The arbitration will take place before one (1) arbitrator selected by the American Arbitration Association. The arbitration will take place in the city in which we then have our principal place of business. Currently, our principal place of business is located in Fremont, California, in Alameda County. The parties will conduct any arbitration proceeding and resolve any dispute on an individual basis only and not on a class-wide or multiple-party basis. The prevailing party will have the right to enter the award of the arbitrator in any court having jurisdiction. The award will not have any precedential or collateral estoppel effect on any other disputer. Our option under this Section

will not affect or limit our rights under any security agreement or our subrogation rights under any guaranty or surety agreement.

34. Indemnification by Franchisee

(a) You will, at all times, indemnify and hold harmless to the fullest extent permitted by law, us, our parent entity, our Affiliates, the respective shareholders, members, directors, officers, employees, agents, and representatives of each of them, and their respective successors and assigns, from all Losses and Expenses incurred in any action, suit, proceeding, claim, demand, investigation, or inquiry (formal or informal), or any settlement thereof (whether or not a formal proceeding or action has been instituted) which arises out of or is based upon any of the following:

i) Your infringement, alleged infringement, or any other violation or alleged violation of any trademark, copyright, or other proprietary right owned or controlled by third parties,

ii) Your violation, breach, or alleged violation or breach (1) of any contract, federal, state, or local law, regulation, ruling, standard, or directive, or (2) arising out of your business activities hereunder,

iii) Libel, slander, or any other form of personal injury by you or arising out of your business activities hereunder,

iv) Your violation or breach of warranty, representation, agreement, or obligation in this Agreement, or

v) Acts, errors, or omissions of you or any of your agents, servants, employees, contractors, Owners, partners, Affiliates, or representatives.

(b) Notice of Claims. You will give us notice of any such action, suit, proceeding, claim, demand, inquiry, or investigation. At your expense and risk, we may elect to assume (but under no circumstance are obligated to undertake), the defense and/or settlement of any action, suit, proceeding, claim, demand, inquiry, or investigation. Such an undertaking by us shall, in no manner or form, diminish your obligations under this Section.

(c) Risk of Loss. All Losses and Expenses incurred under this Section shall be chargeable to and paid by you as your obligations of indemnity under this Section, regardless of any actions, activity, or defense undertaken by us or the subsequent success or failure of such actions, activity, or defense.

(d) No Assumption of Liability. The persons or parties indemnified do not assume any liability whatsoever for acts, errors, or omissions of those with whom Franchisee may contract, regardless of the purpose. Franchisees' hold harmless and indemnification obligation shall include all losses and expenses that may arise out of any acts, errors, or omissions of these third parties.

(e) Remedial Action. In order to protect persons or property, or its reputation or goodwill, or the reputation or goodwill of others, we may, at any time and without notice, as we, in our Reasonable Business Judgment (as defined in Section 36(c)) deem appropriate, order, consent, or agree to settlements or take such other remedial or corrective action as is deemed expedient with respect to any action, suit, proceeding, claim, demand, inquiry, or investigation if, in our sole judgment, there are reasonable grounds to believe that

i) Any of the acts or circumstances enumerated in this Section have occurred, or

ii) Any act, error, or omission of yours may result directly or indirectly in damage, injury, or harm to any person or property.

(f) Survival. This Section shall survive expiration or earlier termination of this Agreement without regard to the clause of termination.

35. Force Majeure. If an act of nature prevents a party from performing any obligation under this Agreement despite the party's exercise of reasonable diligence, the act of nature will toll the due date for the performance of that obligation for the duration of the act of nature and for a reasonable time thereafter. No force majeure shall excuse the timely payment of amounts due under this Agreement. Should the Franchised Store close for any reason relating to natural disaster, accident, or other unforeseeable events, you will vigorously pursue reopening at the same or a new location that we first approve. If you have not resumed operations within 180 days after closing, we may terminate this Agreement without penalty to you, so long as you have paid us a royalty on your business interruption insurance proceeds and not breached the covenants in Section 11.

36. Relationship of the Parties.

(a) Limitations. Neither this Agreement nor the performance of the obligations set forth in this Agreement will operate to make you our partner or agent. Neither party will have the authority to act or contract on behalf of the other. Neither party will have any responsibility for the obligations of the other party. The relationship created by this Agreement is that of an independent contractor, and no fiduciary relationship is created or intended. You must clearly indicate the independent ownership of your business in all public records and in all of your dealings with third parties.

(b) Reserved Rights. Whenever we reserved in this Agreement a right to take or withhold an action, or are deemed to have a right and/or discretion to take or withhold an action, or to grant or decline to grant you a right to take or omit an action, except as otherwise expressly and specifically provided in this Agreement, we may make our decision or exercise our rights, on the basis of the information readily available to us and our judgment of what is in our best interests and/or in the best interests of the franchise network, at the time the decision is made, without regard to whether (i) other reasonable alternative decisions or actions could have been made by us, (ii) our discretion or action will promote our financial or other individual interest, (iii) our decision or the action we take applies differently to you and one or more other franchisees or our company-owned operations, or (iv) our decision or the exercise of our right or discretion is adverse to your interests. In the absence of an applicable statute, we will have no liability to you for any such decision or action. We and you intend that the exercise of our right or discretion will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, the parties acknowledge that such covenant shall not imply any rights or obligations that are inconsistent with a fair construction of this Agreement and that this Agreement grants us the right to make decisions, take actions, and/or refrain from taking actions not inconsistent with your rights and obligations hereunder.

(c) Reasonable Business Judgment. You and we agree that we may use our Reasonable Business Judgment in the exercise of our rights, obligations, and discretion under this Agreement, except where otherwise indicated. "Reasonable Business Judgment" means that our determination shall prevail even in cases where other alternatives are also reasonable so long as we intend to benefit or its action or omissions could benefit the Franchised System. Examples of benefits to the Franchised System would include, without limitation, protecting or enhancing the value of the Proprietary Marks, promoting economic efficiency or gain for the Franchised System Stores , increasing customer satisfaction, increasing brand identification, or minimizing possible customer brand or location confusion. We shall not be required to consider your particular economic or other circumstances when exercising our Reasonable Business Judgment. At no time are you or any third party (including but not limited to other franchise owners or any trier of fact) entitled to substitute your or its judgment for a judgment which has been made by or on behalf of us which meets the definition of Reasonable Business Judgment. You and we agree that the long-term goals of a franchise system, and the long-term interests of us and all the franchisees, taken together, require that we have the latitude to exercise our Reasonable Business Judgment.

(d) Time. Time is of the essence of this Agreement.

37. Employment Decisions. You have and will continue to have sole responsibility for recruitment, selection, training, supervision, discipline, and termination of your employees, all acts and omissions of your employees, and all employment related decisions involving compensation, benefits, hours of work, scheduling, record keeping, and all other terms and conditions of employment.

38. Holidays. If the due date for any payment of funds under this Agreement falls on a legal holiday, the due date for the payment will extend until the next business day.

39. Entire Agreement. This Agreement (including all attachments, exhibits, and schedules) constitutes the entire agreement of the parties with regard to the subject matter of this Agreement and replaces and supersedes all other prior written, electronic, and oral agreements and statements of the parties relating to the subject matter of this Agreement.

Neither party is relying on any writing to enter this Agreement other than as set forth in this Agreement and the Franchise Disclosure Document, as delivered to you.

40. Disclaimer Limitation. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require you to waive reliance on any representation that we made in the most recent Franchise Disclosure Document (including its exhibits and amendments) that we delivered to you or your representative, subject to any agreed-upon changes to the contract terms and conditions described in that Franchise Disclosure Document and reflected in this Agreement (including any riders or addenda signed at the same time as this Agreement.)

41. Approvals and Waivers. You must request any prior approval or consent required under this Agreement from us by means of a timely written request. Any such approval or consent must be obtained in writing. No delay, waiver, omission, or forbearance on our part to exercise any right, option, duty, or power arising out of any breach or default by you under this Agreement shall constitute a waiver by us to enforce any right, option, duty, or power against you, or shall apply as to subsequent breach or default by you. Subsequent acceptance by us of any payments due to us hereunder shall not be deemed to be a waiver by us of any preceding breach by you of this Agreement. The failure of a party to insist in any one or more instances on the performance of any term or condition of this Agreement will not operate as a waiver of any future performance of that term or condition.

42. Notice. Except as otherwise provided in this Agreement, when this Agreement requires notice, the sending party must deliver or address the notice to the other party by certified mail, fax, or by electronic mail followed by transmittal of the original by first class mail to the following:

Us: Oneness City, Inc.
45401 Research Avenue, Suite 301
Fremont, CA 94539
Fax: (303) 496-3496
Email: hello@oneteausa.com

You: ____

Address:____

____

Email:____

All notices will be deemed delivered and received if transmitted to the proper address on the earlier of (a) the date that the other party receives or refused delivery of the notice or (b) three (3) business days after the party places the notice in the United States mail, first class postage prepaid. Each party may change the party's address by giving written notice to the other party.

43. Cumulative Rights. No right or remedy conferred upon or reserved to us or you 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 each other right or remedy. The parties retain all rights and remedies available at law or in equity.

44. Survival. The provisions of this Agreement which, by their terms, survive the termination or expiration of this Agreement will survive the termination or expiration of this Agreement for any reason.

45. Governing Law and Venue. This Agreement shall be governed by the laws of the State of California (without regard to any conflicts of law principles). Except for any third party dispute in which the Parties may be involved subject to Section 34, the proper, sole, and exclusive venue and forum for any action arising out of or in any way related to this Agreement shall be in the federal and state court districts in which we then have our principal place of business. As of the Effective Date, the proper venue is in the United States District Court for the Northern District of California and Alameda County, California. Each party to this Agreement hereby consents to any of those courts' exercise of personal jurisdiction over the party in that type of action and expressly waives all objections the party otherwise might have to that exercise of personal jurisdiction.

46. Mediation. In the event of a dispute between the parties arising out of or in any way related to this Agreement, but not governed under Section 33, the parties shall submit to mediation in Alameda County, California, with each side bearing its own costs.

47. Legal Fees. If either party succeeds in any arbitration or legal action to enforce this Agreement, the losing party will reimburse the prevailing party for its attorneys' fees and costs related to the action, in addition to any other relief obtained by the prevailing party.

48. Construction. The rule of constructions requiring the resolution of ambiguities in this Agreement against the drafting party will not apply to the construction of this Agreement.

49. Severability. If any provision of this Agreement (other than Section 5) is held to be invalid or ineffective with respect to any Person or circumstance, the holding will not affect the remainder of this Agreement or the application of this Agreement to any other Person or circumstance.

50. Counterparts. The Parties may execute this Agreement in counterparts, each of which will constitute an original and all of which, when taken together, will constitute one and the same instrument.

51. Amendment. No amendment to this Agreement will become effective or binding on the parties, unless it is in writing and signed by all of the parties, provided that we may modify or change the Franchised System or Operations Manual unilaterally at any time, effective thirty (30) days after notice of the change or modification is sent to you, unless health and safety concerns compel us to provide a shorter notice period.

52. Third Party Beneficiaries. Except for the benefits reserved for our parent, One Tea Taiwan, and our Affiliates, there are no third party beneficiaries for this Agreement.

53. Your Representations. You represent to us as follows:

(a) Independent Investigation. You have conducted an independent investigation of the business contemplated by this Agreement and recognize that it involves substantial business risks, making the success of the venture largely dependent on your management skills and resources. You have not received from us or our Affiliates, and have not relied upon, any oral or written, express or implied projection, representation, warranty, or guaranty regarding the potential sales, revenues, income profits, or success of the business venture contemplated by this Agreement. You have had the opportunity to consult with independent advisors of your own selection, such as a lawyer or accountant, before making your decision to sign this Agreement and develop and operate a One Tea Store.

(b) This Transaction. You and the persons signing this Agreement for you have full power and authority and have been duly authorized to enter into and perform or cause performance of your obligations under this Agreement. You have obtained all necessary approvals of your Owners, Board of Directors, and lenders. No executory franchise, license, or affiliation agreement for the Location exists other than this Agreement. Attachment A accurately states your Owners. Your execution, delivery, and performance of this Agreement will not violate, create a default under breach of any charter, bylaws, agreement, or other contract, license, permit, indebtedness, certificate, order, decree, or security instrument to which you or any of your Owners is a party, is subject, or to which the Location is subject. Neither you nor the Location is subject of any current or pending merger, sale, dissolution, receivership, bankruptcy, foreclosure, reorganization, insolvency, or similar action or proceeding on the date you execute this Agreement and was not within the three (3) years preceding such date, except as disclosed in your franchise application. To the best of your knowledge, neither you, your Owners, your officers, directors, contractors, employees, or anyone else affiliated or associated with you, whether by common ownership, contract, or otherwise, has been designated as, or are, a terrorist, a "Specially Designated National," or a "Blocked Person" under U.S. Executive Order 13224, in lists published by the U.S. Department of Treasury's Office of Foreign Assets Control or otherwise.

(c) No Misrepresentations or Implied Covenants. All written information you submit to us about the Location, you, your Owners, any guarantor, or the finances of any such person or entity, was or will be at the time delivered and when you sign the Agreement, true, accurate, and complete, and such information contains no misrepresentations of a material fact, and does not omit any material fact necessary to make the information disclosed not misleading under the circumstances. There are no express or implied covenants or warranties, oral or written, between we and you except as expressly stated in this Agreement.

(d) No Guarantees of Success. We and our representatives have made or communicated to you no claims of assured or guaranteed success of the business contemplated by this Agreement prior to signing this Agreement. You voluntarily enter into this Agreement and undertake all the terms and conditions thereof without any such inducements, promises, or representations. Without limiting the foregoing, we expressly disclaim the making of, and you acknowledge that you have not received or relied upon, any representations, warranties, or guarantees, express or implied, as to the potential volume profits or success of the business venture contemplated by this Agreement, or as to the suitability of any selected or proposed Location as a successful location for the Franchised Store.

54. [FOR TRANSFERS OF EXISTING STORES]. Transfer of Existing Store. This Agreement documents the transfer of an existing Franchised Store that has been open and operating since _____________ . You pay no initial franchise fee and the prior owner has paid the Transfer Fee specified in the Franchise Agreement with us. You assume and agree to pay and perform all of the outstanding obligations to us of the prior owner and franchisee arising from the operation of the Franchised Store before the Effective Date. Section 6 is deleted as the Franchise Store is open and operating. Our requirements to upgrade the Franchised Store are described in Attachment A, if any. You acknowledge, represent, and warrant to us that (i) we have not participated in the purchase and sale of the Franchised Store except to provide to you our Franchise Disclosure Document and information and copies of materials provided to us by the prior owner, (ii) we have not validated, audited, or verified any information provided to you or to us by the prior owner, (iii) you are not relying on any store-specific information provided to you to make your decision to purchase the Franchised Store except as set forth in this Agreement, (iv) you are relying only on the materials and information provided to you by the prior owner for this decision, and (v) we have not offered or provided any inducement or incentive for you to purchase the Franchised Store from the prior owner.

IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement, intending to be legally bound, as of the Effective Date.

ONENESS CITY, INC.	(You) ___________________________
By _____________________________	By _____________________________
Its _____________________________	Its _____________________________
Effective Date_____________________	Date ___________________________

Attachment A

Transaction Details

Transaction Details

1. Location of Franchised Store:

____

2. Time to Complete and Open Franchised Store: six (6) months after the Effective Date

4. Address and Contact Information of Franchisee

Name	Address	Telephone	Email

5. Initial Franchise Fee: $30,000.00

6. Your Owners:

Name	Address	Telephone	Email	Percentage Ownership

Name of owner listed above, designated as Owner-Operator:

[For Transfers of Existing Stores Only]

7. Upgrades Required

Attachment B

Automated Clearing House Payment Authorization

ACH Authorization Form

This form **MUST** be accompanied by a **Printed Voided Check or Bank Letter**

Add ☐ Delete ☐ Change ☐

Company Name: ____

Address: ____

City: ______________________ State: __________

Zip: __________

Funds Settlement Information

Bank Name: ____

Account Owner: ____

Account Name: ____

Address: ____

City: ______________________ State: __________

Zip: __________

Routing # (9 digits): ______________________________

Account #: ______________________________

______________________________ (hereinafter referred to as User) authorizes Oneness City, Inc. to initiate ACH transfer entries and to credit and/or debit the Account identified herein. This authorization shall remain in effect unless and until Oneness City, Inc. receives written notification from User that this authorization has been terminated in such time and manner to allow Oneness City, Inc. to act. Undersigned represents and warrants to Oneness City, Inc. that the person executing this form is an authorized signatory on the Account referenced above and all information regarding the Account and Account Owner is true and correct.

____ ___/____/_____

Account Owner Signature Date

____

Print Name and Title

ATTACH PRE-PRINTED VOIDED CHECK OR BANK LETTER

Attachment C

Guaranty and Restriction Agreement

Guaranty and Restriction Agreement

The undersigned owners (the "Guarantors") of ____________________ (the "Franchisee") enter into this Guaranty and Restriction Agreement (this "Guaranty") as of the Effective Date.

1. Guaranty of Obligations. To induce Oneness City, Inc., its successors and assigns ("you") to sign the Franchise Agreement (the "Agreement") with the party named as the Franchisee, to which this Guaranty is attached, the undersigned, jointly and severally ("we," "our," or "us"), irrevocably and unconditionally (i) warrant to you that Franchisee's representations and warranties in the Agreement are true and correct as stated, (ii) guarantee that Franchisee's obligations under the Agreement, including any amendments and notes, will be punctually paid and performed. Upon default by Franchisee and notice from you we will immediately make each payment and perform or cause Franchisee to perform, each unpaid or unperformed obligation of Franchisee under the Agreement. Without affecting our obligations under this Guaranty, you may without notice to us extend, modify, or release any indebtedness or obligation of Franchisee, or settle, adjust, or compromise any claims against Franchisee. We waive notice of amendment of the Agreement. Upon the death of an individual guarantor, the estate of the guarantor will be bound by this Guaranty for obligations of Franchisee to you existing at the time of death, and the obligations of all other guarantors will continue in full force and effect. This Guaranty may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

2. Restrictions on Transfer of Equity Ownership of Franchisee. The Guarantors will not transfer, assign, or pledge any of their direct or indirect equity interests in the Franchisee to any person without the prior consent of the Franchisor.

3. Other Provisions. The Guarantors, as owners of the Franchisee, acknowledge that this Guaranty and the Franchise Agreement inure to the benefit of the Franchisee and to the undersigned. The Guarantors expressly adopt, ratify, and incorporate into this Guaranty, and agree to be bound individually by the following provisions of the Franchise Agreement as if they were parties to such Franchise Agreement: Sections 11 (Covenants Not to Compete), 12 (Confidential Information), 22 (Assignment), 23 (Right of First Refusal), 24 (Business Entity Franchisee), 31 (Certain Waivers), 33 (Our Option to Purchase), 45 (Governing Law), 46 (Venue), and 47 (Legal Fees).

Executed and delivered as of the Effective Date.

The Guarantors

By: ____________________________________ By:_____________________________________

Printed Name: ___________________________ Printed Name: __________________________

By: _____________________________________ By:____________________________________

Printed Name: ___________________________ Printed Name: __________________________

Attachment D

Management Confidentiality

And Non-Competition Agreement

Management Confidentiality
And Non-Competition Agreement

The undersigned One Tea Store on-premises manager ("Manager"), in consideration of the access to training and confidential information he or she has received or will receive from Oneness City, Inc., a California corporation, and/or its affiliates (collectively, the "Company"), in connection with Manager's employment with the Company's franchisee named below (the "Franchisee"), hereby covenants and agrees as follows:

1. Confidentiality Agreement. Manager acknowledges that, while employed by the Franchisee, Manager has and will receive certain confidential information and knowledge concerning the One Tea Store business of the Company which the Company wishes to protect, including (without limitation) information, knowledge, know-how, recipes, formulae, materials, equipment, techniques, systems, and other data relating to or comprising the One Tea Store Franchise System. Confidential information includes the Operations Manual and other materials and information supplied by Company to the Franchisee that is identified as confidential at the time of disclosure or before. Manager shall not reveal that confidential information to any other party, except the Company's or the Franchisee's independent public accounts, Manager's legal counsel (if that counsel also agrees to maintain the confidentiality of the confidential information), or as otherwise required by law. Manager shall not use or disclose the confidential information at any time for the purpose of competition with the Company, its successors and assigns, or Franchisee. When Manager's employment with Franchisee terminates for any reason, the Manager promptly shall surrender to Franchisee all papers, documents, writings, and other property produced by Manager or coming into Manager's possession by or through Manager's employment with the Franchisee containing confidential information or related in any way to confidential information. All of the foregoing materials shall remain the property of the Company, its successors, or its assigns.

2. Covenant Not to Compete. During the term of Manager's employment with the Franchisee and for a period of 24 months after the end of Manager's employment with the Franchisee regardless of which party ends the employment relationship and regardless of the reason why the employment relationship ends, Manager shall not engage in, directly or indirectly as a principal, agent, or other entity, any business or be employed in a store or prepared food retailer that is the same or similar to a One Tea Store at any location within a 10-mile radius of any One Tea Store location at which Manager worked or within a 10-mile radius of any then-existing One Tea Store location.

3. Indemnification and Injunctive Relief. Manager shall indemnify and hold the Company and the Franchisee harmless against any losses, damages, costs, expenses, claims, or actions, including attorneys' fees and costs, proximately caused by any breach of this Agreement by Manager. Manager shall pay to the Company any compensation, profits, or economic benefits realized by the Manager resulting from any breach of this Agreement. The Company shall have the right to injunctive and other equitable relief prohibiting the Manager from any violation or threatened violation of this Agreement, without posting any bond or security. Manager acknowledges that the restrictions in this Agreement are reasonable and necessary to protect the legitimate business interests of the Franchisee and that the violation of the foregoing restrictions will lead to immediate and irreparable harm, for which injunctive relief is necessary.

4. Governing Law. The laws of California shall govern this Agreement.

5. Entire Agreement. This Agreement constitutes the entire agreement of the parties with regard to the subject matter of this Agreement and replaces and supersedes all other written and oral agreements and statements of the parties relating to the subject matter of this Agreement.

6. Limitations. This is not a contract of employment and this creates no employment relationship between Manager and the Company. Manager is not a third party beneficiary of any contract between the Company and the Franchisee. Franchisee remains the sole employer of Manager and is solely responsible for the recruitment, selection, training, supervision, compensation, benefits, insurance, worker's compensation, discipline, and termination of Manager. During any period of on-the-job training of Manager by the Company, Franchisee shall remain the sole employer of Manager and shall be responsible for controlling all aspects of Manager's employment.

Executed and delivered this _______ day of _____________________, 20___.

Manager

____
Signature

____
Printed Name

Franchisee

____
Signature

____
Printed Name

____
Title

Attachment E

Lease Rider

Lease Rider

The Lease Rider is made and entered into as of _________________, 20____ by and among Oneness City, Inc., a California corporation (“Franchisor”),

_____________________________, a _____________________________ (“Tenant/Operator”), and

_____________________________, a _____________________________ (“Landlord”).

Recitals. Tenant/Operator and Landlord desire to enter into a lease (the “Lease”) pursuant to which Tenant/Operator will occupy and finish the premises located at _________________________ (the “Premises”) for use and operation of an One Tea Store (the “Store”) authorized under a Franchise Agreement to be executed between Franchisor and Tenant/Operator prior to the opening of the Store (the “Franchise Agreement”). As a condition to Franchisor’s approval of the Premises as the location for the Store, the Tenant/Operator is required under the Franchise Agreement to execute this Lease Rider along with the Landlord and Franchisor.

NOW, THEREFORE, in consideration of the mutual undertakings and commitments set force herein, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. During the term of the Franchise Agreement, the Premises shall be used only for the operation of the Store.

2. Landlord consents to Tenant/Operator’s use and display of such proprietary marks (the “Proprietary Marks”) and signs, décor items, color schemes, plans, specifications, and related components of the One Tea Store system (the “System”) as Franchisor has prescribed, and may in the future prescribe, for the Store. Landlord affirms that the Lease does not prohibit the service of any menu items of the current System, based on the menu provided to Landlord.

3. Landlord agrees to send Franchisor conformed, legible copies of any and all letters and notices sent to Tenant/Operator pertaining to the Lease and the Premises at the same time that such letters and notices are sent to Tenant/Operator.

4. Franchisor shall have the right, and Landlord consents to allow Franchisor, to enter the Premises during hours when the Premises is available for tenant entry to make any modification or alteration necessary to protect the Store, the System, and Proprietary Marks or to cure any default under the Franchise Agreement, or under the Lease, without being guilty of trespass or any other crime or tort.

5. In the event of Tenant/Operator’s default under the Lease, Franchisor may, but has no obligation, to cure the default. Franchisor shall make this determination within thirty (30) days after Franchisor receives notice of the Lease default from Landlord. If Franchisor elects to cure the default, Franchisor shall cure the default within thirty (3) days of such election, or if the default cannot be reasonably cured within such thirty (30) day period, then Franchisor shall commence and proceed to act diligently to cure the default within such time as is reasonably necessary to cure the default.

6. Franchisor has an option to acquire the Store from Tenant/Operator if the Franchise Agreement expires or terminates. If Franchisor exercises the option, it will notify Landlord when it notifies Tenant/Operator. If Franchisor so exercises its option, or makes a different arrangement with Tenant/Operator to acquire the Store, then Landlord shall permit Tenant/Operator to assign the Lease to Franchisor or to Franchisor's affiliated assignee or designee as successor in interest ("Successor") to Tenant/Operator, which shall be obligated to assume Tenant/Operator's obligations under the Lease. Successor shall attorn to Landlord under the Lease and Landlord shall attorn to and agree not to disturb the tenancy of Successor. In such event, Successor shall assume Tenant/Operator's occupancy rights, rights under any renewal or purchase options, and the right to sublease the Premises, for the remainder of the term of the Lease, including any applicable renewal periods.

7. Landlord herby consents to such assignment and agrees not to impose or assess any assignment fee or similar charge or increase or accelerate rent under the Lease in connection with such assignment, or require Successor to pay any rent or other financial obligation of Tenant/Operator to Landlord arising prior to the assignment. Landlord agrees to look solely to the Tenant/Operator and its guarantors for any rents or other financial obligations owed to Landlord arising prior to such assignment. Landlord and Tenant/Operator acknowledge that Franchisor is not a party to the Lease and shall have no liability under the Lease, unless and until the Lease is assigned to, and assumed by, Franchisor as Successor.

8. Notwithstanding anything contained in this Lease Rider and in the Lease, Successor is expressly authorized, without the consent of the Landlord, to sublet the Leased Premises to an authorized System franchisee, provided such subletting is specifically subject to the terms of the Lease and further provided the franchisee expressly assumes in writing all obligations of the Lease. Franchisor agrees to notify Landlord as to the name of the franchisee within ten (10) days after such subletting.

9. Tenant/Operator shall not assign the Lease or renew or extend the term thereof without the prior written consent of Franchisor.

10. Landlord and Tenant/Operator shall not amend or otherwise modify the Lease in any manner that could materially affect any of the foregoing without the prior written consent of Franchisor.

11. The Lease Rider will supersede any conflicting terms of the Lease.

[SIGNATURE PAGE FOLLOWS]

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

FRANCHISOR

Oneness City, Inc.

By: ____________________________________

Name: __________________________________

Title: __________________________________

TENANT/OPERATOR

____

By: ____________________________________

Name: __________________________________

Title: __________________________________

LANDLORD

____

By: ____________________________________

Name: __________________________________

Title: __________________________________

Attachment F

Franchise Agreement Addenda Required by Certain States

Addendum to the Franchise Agreement Pursuant to the California Franchise Investment Law

This Addendum to the Franchise Agreement by and between Oneness City, Inc., a California corporation, as Franchisor ("we," "our," or "us") and ___________________________, as Franchisee ("you") is dated _____________________, 20____.

The following provisions supersede and control any conflicting provisions of the Franchise Agreement.

1. Our right to terminate the Agreement under Section 29 if you commence a bankruptcy proceeding may not be enforceable under federal bankruptcy law.

2. Under Section 1671 of the California Civil Code, certain liquidated damages clauses are unenforceable.

3. California law may not enforce (i) indemnification of a person for their own negligence or strict liability under Section 34 or (ii) the choice of California law under Section 45 to govern the Franchise Agreement.

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

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

6. If the Franchise Agreement requires you to execute a general release of claims upon the renewal or transfer of the Franchise Agreement, California Corporations Code Section 31512 provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000-31516). California Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000-20043).

7. All other rights, obligations, and provisions of the Franchise Agreement shall remain in full force and effect. Only the Sections specifically added to or amended by this Addendum shall be affected. This Addendum is incorporated in and made a part of the Franchise Agreement for the State of California.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth above.

FRANCHISOR

Oneness City, Inc.

By: ______________________________________
Title: ___________________________________
Attest: __________________________________

FRANCHISEE

____

By: ______________________________________
Title: ___________________________________
Attest: __________________________________

Attachment G

Receipt of Operations Manual
and Confidentiality Agreement

Receipt for Operations Manual and Confidentiality Agreement

The undersigned franchisee ("Franchisee") acknowledges receipt of One Tea Store Operations Manual No. ________ and/or receipt of access codes and instructions to access the online version of the Operations Manual. The Manual is being loaned, and access is being granted, to Franchisee under the Franchise Agreement between Franchisee and Oneness City, Inc. ("Company"). Franchisee expressly agrees as follows:

1. Operations Manual. If the Operations Manual is misplaced, destroyed (in whole or in part) or otherwise lost the Franchisee must pay for a replacement Operations Manual from the Company at a cost of $100.00 and must sign a new receipt. The Franchisee shall not copy or otherwise reproduce any portion of the Operations Manual. The Operations Manual shall not be removed from the premises of the Location identified in the Franchise Agreement. The Franchisee shall not loan or disclose the Operations Manual to any third party. The Franchisee shall not communicate, transmit, describe, summarize, or otherwise convey the information contained in the Operations Manual, in whole or in part, to any third party not employed by the Franchisee to operate the Franchised Store. The Operations Manual shall at all times remain the property of the Company.

2. Confidentiality Agreement. The Franchisee acknowledges that the Franchisee will receive certain confidential information and knowledge contained in the Operations Manual that is the subject of confidentiality obligations in the Franchise Agreement. When the Franchise Agreement with the Company terminates for any reason, the Franchisee promptly shall surrender to the Company the Operations Manual identified above, along with all papers, documents, writings, and other property produced to the Franchisee or coming into the Franchisee's possession by or through the relationship with the Company and related in any way to the confidential information. All of the foregoing materials shall remain the property of the Company, its successors, or its assigns.

3. Indemnification and Injunctive Relief. The Franchisee's obligations to indemnify the Company and accept injunctive relief described in the Franchise Agreement shall apply to breaches of Franchisee's undertakings regarding the Operations Manual.

4. Supplement to Franchise Agreement. This Receipt is a supplement and subject to the Franchise Agreement in all respects.

Executed and delivered this ______ day of ____________________, 20___.

FRANCHISEE

____

____
Signature

____
Printed Name

____
Title

Exhibit B

AREA DEVELOPMENT AGREEMENT

This Franchise Agreement does not grant you any area development rights.

Exhibit C

Form of Closing Acknowledgement

Oneness City, Inc.
Franchise Closing Acknowledgement

As you know, you (or the entity you represent) and we are entering into a Franchise Agreement to operate a Franchised Business. The purpose of the Closing Acknowledgement is to determine whether any statements or promises were made to you on which you have relied that we have not authorized or that may be untrue, inaccurate, or misleading. Please review each of the following questions carefully and provide honest, accurate, and complete responses to each question.

Acknowledgements and Representations[1]

Did you receive a copy of our Franchise Disclosure Document ("FDD") (and all exhibits and attachments) at least 14 calendar days (or at the first personal meeting or at least 10 business days if you are in New York and Rhode Island), before you signed the Franchise Agreement and any Area Development Agreement? **Check one (__) Yes (__) No.** If no, please tell us if and when you received the FDD and when you signed the Franchise Agreement. Please explain why you signed the Franchise Agreement before the 14 days expired.

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Did you understand all the information in the FDD and your rights and obligations under the Franchise Agreement? **Check one (__) Yes (__) No.** If no, please comment:

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Have you studied and reviewed carefully our FDD and the Franchise Agreement you received? **Check one (__) Yes (__) No.** If no, please comment:

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Was any oral, written, or visual claim, statement presentation, or representation made to you on which you relied in making your decision to sign the Franchise Agreement that contradicted the disclosures in the FDD? **Check one (__) Yes (__) No.** If yes, please explain in detail the oral, written, or visual statement, presentation, claim, or representation.

[1] Such representations are not intended to nor shall they act as a release, estoppel, or waiver of any liability incurred under the Illinois Franchise Disclosure Act or under the Maryland Franchise Registration and Disclosure Law, if either or both such laws apply to this transaction.

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Except for any financial performance representation included as Item 19 in our FDD, did any employee or other person speaking on our behalf make any oral, written, or visual claim, statement, promise, or representation to you that stated, suggested, predicted, or projected sales, revenues, expenses, earnings, income, or profit levels at any Franchised Business franchise, or the likelihood of success at your franchised business on which you relied in making your decision to sign the Franchise Agreement? **Check one (__) Yes (__) No.** If yes, please explain in detail who made and what you understand is the oral, written, or visual statement, presentation, claim, or representation.

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Except for any financial performance representation included as Item 19 in our FDD, did any employee or other person speaking on our behalf make any statement or promise regarding the costs involved in operating a franchise that is not contained in the FDD or that is contrary to, or different from, the information contained in the FDD on which you relied in making your decision to sign the Franchise Agreement? **Check one (__) Yes (__) No.** If yes, please explain in detail who made the statement or promise and what you understand are the details of that statement or promise.

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Do you understand that the franchise granted in the Franchise Agreement (1) allows you to operate a Franchised Business only at the authorized Location, (3) allows us to open and operate or franchise a Franchised Business anywhere, and (4) allows us to open and operate or authorize any other party to open and operate a One Tea Store anywhere? **Check one (__) Yes (__) No.** If no, please comment:

____

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Do you understand that the Franchise Agreement contains the entire agreement between you and us concerning the franchise for the franchised business or the development rights we grant to you, meaning that any prior oral or written statements or agreements not set out in the

Franchise Agreement, or the FDD will not be binding? **Check one (__) Yes (__) No.** If no, please comment:

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Do you understand that the success or failure of your franchise or area development business will depend in large part upon your skills and experience, your business acumen, the hours you work, the location you select, your management of your franchised business, the prices you set, the local market for a Franchised Business, interest rates, the economy, inflation, the number and competence of employees or contractors you hire and their compensation, competition, financing terms, and other economic and business factors? Further, do you understand that the economic and business factors that exist at the time you buy or open your franchise may change? **Check one (__) Yes (__) No.** If no, please comment:

____

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You understand that your answers are important to us and that we will rely on them. By signing this acknowledgement, you are representing that you have considered each question carefully and responded truthfully to the above questions. If more space is needed for any answer, please continue on a separate sheet, attach it, date it, and initial the sheet.

NOTE: IF THE FRANCHISEE IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY, OR OTHER ENTITY, EACH OF ITS GUARANTORS MUST EXECUTE THIS ACKNOWLEDGEMENT.

Signed: ________________________________

Print Name: ______________________________

Date: __________________________________

Signed: ________________________________

Print Name: ______________________________

Date: __________________________________

ACCEPTED ON BEHALF OF ONENESS CITY, INC.

Signed: ___________________________________

Print Name: ________________________________

Date: _____________________________________

Exhibit D

Form of General Release

General Release for Transfer or Renewal

This General Release (the "Release") is made as of the ___ day of _____________, 20___ by and between _________________________ (the "Franchisee") and Oneness City, Inc., a California corporation ("Franchisor").

WHEREAS, Franchisee is a party to a certain Franchise Agreement dated ________, 20____ (the "Franchise Agreement") by and between Franchisee and Franchisor, and

WHEREAS, Franchisee desires to sell and assign the Franchise Agreement or transfer the Franchised Business (as defined in the franchise Agreement) at the Approved Location (as defined in the Franchise Agreement) to a third party in accordance with the transfer provisions of the Franchise Agreement and Franchisor has approved the application of the transferee to succeed to and become the franchisee of the Franchised Business at the Approved Location, and

WHEREAS, the Franchise Agreement requires that, as a condition to any transfer (as defined in the Franchise Agreement) under the Franchise Agreement, Franchisee and the transferee must first execute a general release of all claims in favor of Franchisor.

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements contained herein, the parties covenant and agree as follows:

1. Release of Franchisor. Franchisee hereby releases and forever discharges Franchisor, any subsidiary or affiliate of Franchisor, their respective officers, directors, members, employees, agents, contractors, and their respective successors, assigns, heirs, and personal representatives from any and all claims, demands, rights, and causes of action of any kind that franchisee now has or hereafter may have on account of or in any way arising out of or related to the offer for sale, administration, performance, default, assignment, and termination of the Franchise Agreement. Franchisor and Franchisee mutually intend that this Release shall include, without limitation, claims, demands, and causes of action arising out of alleged misrepresentations of any kind or nature whatsoever, alleged breaches of contract (based upon implied, express, estoppel, waiver, or alternative theories of contractual obligation), or breach of any alleged special, trust, agency, or fiduciary relationship, whether asserted or proposed to be asserted by way of claim, setoff, affirmative defense, counterclaim, cross-claim, or third party claim.

2. No Release of Franchisee. Franchisee is not released from any duty or obligation imposed upon Franchisee by the Franchise Agreement, provided that upon assignment and assumption of the Franchise Agreement by the authorized transferee and delivery of all of the documents and fees required by Franchisor as a condition to the assignment or transfer of the Franchised Business, Franchisee shall have no liability or obligation with respect to any breach of the Franchise Agreement by the transferee arising after the date of transfer or assignment.

3. Survival of Obligations. Franchisee and Guarantor(s) each acknowledge that its obligations under the Franchise Agreement with respect to indemnification, audits (as to account periods prior to the Termination Date) and confidentiality of materials disclosed while the Franchise Agreement was in effect, and any other provision that specifies it survives termination of the Franchise Agreement all remain in full force and effect. Franchisee and Guarantor(s) shall contact Franchisor regarding any questions on such surviving obligations.

For purposes of this Release, "Confidential Materials" means all materials in all forms, including electronically stored information that was disclosed to Franchisee and Guarantor(s) in confidence, contains confidential information as described in the Franchise Agreement, including without limitation all customer information subject to any privacy requirements, or by the facts and circumstances attending disclosure, should be considered confidential and proprietary.

4. Non-Competition Covenants. Notwithstanding the foregoing, the post-termination termination covenants against competition set forth in Section 11 of the Franchise Agreement shall be in full force and effect from the Effective Date until their stated expiration date.

5. No Violation of Applicable Law. Notwithstanding the foregoing, this Release does not apply to any claim or cause of action arising under laws governing the offer and sale of franchises to Franchisee or the relationship between Franchisee and Franchisor if the release would violate or is prohibited by such applicable law.

6. Representations and Warranties. Franchisee and Guarantor(s) each represent and warrant to Franchisor that (i) Franchisee has reported the gross sales of the Franchised Store accurately and correctly calculated the fees due during the Term of the Franchise Agreement, (ii) Franchisee, Guarantor(s) and Franchisee's employees, contractors, and agents have not used, disclosed, or made unauthorized copies of any Confidential Materials, or shared any access codes to electronic information and secure web sites of Franchisor in violation of the Franchise Agreement, (iii) no consent of any third party is required for Franchisee to enter into or perform this Release, (iv) Franchisee or Guarantor(s) have not filed a lawsuit or arbitration demand against Franchisor, its parent companies or affiliates, and have not filed a proceeding, complaint, or notice regarding this franchise or franchisor with any federal, state, or local regulatory, or law enforcement agency, including without limitation the Federal Trade Commission regarding the Franchise Agreement, (v) Franchisee or Guarantor(s) are not the subject of any pending bankruptcy, receivership, composition, assignment, or similar proceeding, (vi) Franchisee has obtained the necessary equity owner and governance board authorization to execute and perform this Release, and (vii) the persons negotiating and executing this Release on Franchisee's behalf have been duly authorized by its owners and its governance board.

7. Confidentiality. Each party hereto and their respective counsel, representatives, and agents agree that they will not disclose any of the terms of this Release. The parties and their respective counsel, representatives, and agents are not, however, precluded from disclosing the terms of the Release to their attorneys, accountants, tax preparers, paid financial advisors, or any governmental, regulatory, or judicial authority which might compel the disclosure of this Release. Notwithstanding the foregoing, if any of the parties is served with subpoena or other governmental or judicial process seeking to compel the disclosure of this Release, it shall be the responsibility of the party that receives the subpoena or other governmental or judicial process to notify all other parties to this Release within 72 hours of receipt, thus affording the other parties to this Release an opportunity to move to quash the subpoena or oppose the entry of any order seeking to compel the disclosure of this Release. Additionally, in the event it becomes necessary to file this Release with a court in any future enforcement action between the parties, the parties hereby agree to apply jointly for leave to fil this Release under seal.

8. Future Conduct. Franchisee, on behalf of itself and its owners, agents, contractors, officers, managers, and directors, and the Guarantors (collectively, "Franchisee's Representatives") expressly covenant and agree that each of them shall not, at any time either orally or in writing or through any other medium (including without limitation through any social media outlet, posting, blog, or comment), or any other form of communication, (i) disparage, defame, impugn, assail, or criticize the reputation, integrity, professionalism, or conduct of the Franchisor or its officers, directors, managers, owners, agents, contractors, and employees (collectively, "Franchisor's Representatives"), the franchisees of Franchisor, or any of their representatives, (ii) pursue or promote any action to encourage any of Franchisor's franchisees to (1) abandon or terminate their franchise, (2) not pay amounts due to Franchisor, (3) not perform under any franchise agreement, or (4) not support the Franchisor or any of its programs in any way, or (iii) voluntarily testify or appear as a witness, consultant, or expert, or participate as an adverse party to Franchisor, in any civil litigation, arbitration, or dispute resolution proceeding against Franchisor or any of Franchisor's Representatives related to the Franchise, the business of Franchisor or the System. Franchisee's Representatives may answer truthfully to any inquiry received from a governmental authority or in response to any lawful discovery or subpoena issued in any civil or criminal proceeding. The Franchisee's Representatives and the Franchisor's Representatives will treat each other with mutual respect. Franchisor and the Franchisor's Representatives covenant and agree not to disparage, defame, impugn, assail, or criticize the reputation, integrity, professionalism, or conduct of Franchisee and the Guarantors in connection with this Franchise. The parties acknowledge that monetary damages may not be sufficient to provide redress to an aggrieved party if the other party breaches this Section, so the parties consent to the entry of injunctive relief to prevent any breach or continuing breach of this Section.

9. Consultation with Counsel. Franchisee and Guarantor(s) acknowledge that each of them have consulted with, or had the opportunity to consult with, legal counsel of their own selection about this Release. Franchisee and Guarantor(s) each understand how this Release will affect your legal rights and voluntarily enter into this Release with such knowledge and understanding.

10. Governing Law, Consent to Jurisdiction. This Release will be governed by and interpreted under California law. The parties hereby consent and waive all objections to the non-exclusive personal jurisdiction of, and venue in the courts of the United States District Court for the Northern District of California and California courts situated in Alameda County, California, for the purposes of all cases and controversies involving this Release and its enforcement, and the Franchise Agreement.

11. Attorneys' Fees. The parties agree that the non-prevailing party will pay all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party to enforce this Release or collect amounts owed under this Release.

12. Capitalized Terms. Capitalized terms not otherwise defined in this Release shall have the meaning assigned to that term in the Franchise Agreement, including its addenda and amendments.

13. Execution in Counterparts. To facilitate execution of this Release by geographically separated parties, this Release and all other agreements and documents to be executed in connection herewith may be executed in as many counterparts as may be required, and it shall not be necessary that the signatures on behalf of each party appear on each counterpart, but it shall be sufficient that the signature on behalf of each party appear on one or

more of the counterparts. All counterparts shall collectively constitute a single agreement. It shall not be necessary in making proof of this Release to produce or account for more than a number of counterparts containing the respective signatures on behalf of all the parties hereto. All facsimile executions shall be treated as originals for all purposes.

14. Entire agreement. This Release constitutes the entire understanding and agreement between the parties with respect to the Franchised Store and the termination of the Franchise Agreement. This Release may not be changed or modified, except by a writing signed by the parties hereto.

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

FRANCHISOR

Oneness City, Inc.

By: ____________________________________

Printed Name: __________________________

Title: __________________________________

FRANCHISEE

____

By: ____________________________________

Printed Name: __________________________

Title: __________________________________

GUARANTORS

____
Printed Name

____
Printed Name

____
Printed Name

Exhibit E

Form of Non-Disclosure and Non-Use Agreement

Non-Disclosure and Non-Use Agreement

This non-disclosure and non-use agreement (the "Agreement") is made and given to Oneness City, Inc. a California corporation, for the collective benefit of such entity and its affiliates (collectively, "Company") by the undersigned, as of the date set forth below.

WHEREAS in conjunction with exploration of a potential business relationship between the undersigned and the Company (the "Purpose"), the undersigned has need of, may become aware of, and/or may come into possession of (i) financial information, business plans, information about the Company's business and/or other non-public information and trade secrets that Company considers confidential or proprietary, (ii) information about a customer of Company that is non-public, confidential, or proprietary in nature, and/or that is protected by law or by order of a court, arbitrator, or other such authority, and/or (iii) information and property held by Company pursuant to a contractual or fiduciary relationship. Company is willing to disclose to the undersigned, or permit the disclosure to the undersigned of, such information and property only upon receipt of the assurances contained within this Agreement, and the undersigned is willing to give such assurances.

NOW, THEREFORE, in consideration of the recitals above and other good and valuable consideration, the undersigned hereby agrees as follows:

1. Definition of Confidential Information. "Confidential Information" means any information of any type in any form that (i) is disclosed to or observed or obtained by the undersigned from Company (or from a person the recipient knows or reasonably should assume has an obligation of confidence to Company) in the course of, or by virtue of, the Purpose, and (ii) either is designated as confidential or proprietary in writing at the time of such disclosure or within a reasonable time thereafter (or if disclosure is made orally or by observation, is designated as confidential or proprietary orally by the person disclosing or allowing observation of the information) or is of a nature that the recipient knew or reasonably should have known, under the circumstances, would be regarded by the owner of the information as confidential or proprietary.

For purposes of this Agreement, however, the term "Confidential Information" specifically shall not include any portion of the foregoing (other than information about the health or financial status of any person) that (i) was in the undersigned's possession or knowledge at the time of disclosure and that was not acquired directly or indirectly from Company, (ii) was disclosed to the undersigned by a third party not having an obligation of confidence of the information to any person or body of which the undersigned knew or that, under the circumstances, the undersigned reasonably should have assumed to exist, or (iii) is or becomes (other than by the act or omission of the undersigned) a part of the public domain not under seal by a court of competent jurisdiction.

In the event of any ambiguity as to whether information is Confidential Information, the foregoing shall be interpreted strictly and there shall be a rebuttable presumption that such information is Confidential Information.

Without limiting any other provisions of this Agreement or granting by implication any rights with respect to any particular item and whether or not otherwise meeting the criteria described herein, the following shall be deemed conclusively to be Confidential Information: (i) all information that the recipient knows or reasonably should know is a trade secret pursuant to applicable law, (ii) any notes, compilations, analyses, or other materials created by or on behalf of the undersigned that contain, describe, or refer to information that is Confidential Information of Company, and (iii) to the extent not generally known to the public or to third parties in the relevant industry, (A) all data, documents, flow charts, logic diagrams, design concepts, technical information, processes, standards, specifications, improvements, inventions, procedures, know-how, formulae, algorithms, source and executable codes, scripts, file layouts, database arrangements, test materials, business concepts and methods, financial information, recipes and preparation instructions for menu items, ingredients, new menu items and the like, sales and marketing information, development plans, business plans, strategies, forecasts, customer lists, customer data, supplier lists, supplier contract and arrangement terms, non-obvious restaurant design, décor, and organization elements, and passwords, entry codes, access sequences, or the like of the Company, (B) all information and property that the recipient knows or reasonably should assume is possessed by Company through a contractual or fiduciary relationship with a third party (including without limitation property possessed or accessible pursuant to a license or other contractual arrangement, information regarding the Company's customer or prospective customer, the identity of any third party in a confidential relationship with Company, and information about the health or financial status of any person), and (C) this Agreement (other than the fact of its existence), the identity of Company as a party to this Agreement and the fact of the parties' Purpose.

Any information otherwise meeting the foregoing definition of Confidential Information that was received by the undersigned prior to the date of this Agreement but preliminary to or in contemplation of this Agreement or the Purpose shall be deemed to be Confidential Information.

2. Non-Disclosure of Confidential Information. Except as otherwise specifically authorized by Company in writing, the undersigned shall keep all Confidential Information disclosed to it strictly confidential and shall not disclose (or permit the disclosure by any of its employees, contractors, or agents of) any Confidential Information except as expressly approved in writing by Company or as otherwise permitted under this Agreement, provided, however, that the undersigned may disclose appropriate portions of Confidential Information to those of its employees, contractors, agents, and professional advisors who have a substantial need to know the specific information in question in connection with the Purpose, so long as all such persons (i) have been instructed that such Confidential Information is subject to the obligation of confidence set forth by this Agreement and (ii) are bound either by contract, employment policies, or fiduciary or professional ethical obligation to maintain such information in confidence. The foregoing notwithstanding, in the event the undersigned becomes legally compelled to disclose any Confidential Information, the undersigned shall provide Company with prompt notice thereof so that Company may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Agreement. If such protective order or other remedy is not obtained, or if Company waives compliance with the provisions of this Agreement, the undersigned agrees to furnish only the portion of the Confidential Information that it is legally required to disclose, as advised by written opinion of counsel. The undersigned also shall exercise its best efforts to obtain reasonable, reliable assurance that confidential treatment as provided in this Agreement will be accorded to the Confidential Information so disclosed.

3. Non-Use of Confidential Information. The undersigned shall not, in any manner or at any time, use or authorize the use of any Confidential Information except as is necessary to effectuate the Purpose.

4. Security of Confidential Information. In addition to any other restrictions or obligations imposed at law, the undersigned will maintain all Confidential Information under

secure conditions, using reasonable security measures and in any event not less than the same security procedures used by the undersigned for the protection of its own Confidential Information of a similar kind.

5. Copying of Confidential Information. Except as otherwise specifically authorized by Company in writing, the undersigned shall not copy or otherwise reproduce any part of any Confidential Information, nor attempt to do so other than as is necessary to effectuate the Purpose. Any embodiments of Confidential Information that may be generated by the undersigned, either pursuant to or in violation of this Agreement, will be deemed the Confidential Information of Company.

6. Proprietary Legends. Except as otherwise specifically authorized by Company in writing, the undersigned shall not remove, obscure, or deface on or from any embodiment of any Confidential Information any proprietary legend relating to Company's rights.

7. Compliance with Export Restrictions. The undersigned shall comply with all applicable laws, regulations, and restrictions relating to the use, handling, disclosure, export, and transfer of the Confidential Information. The undersigned warrants that no technical data furnished to it by Company will be exported from the United States, including without limitation disclosing technical data to a foreign firm, foreign government, or foreign national not lawfully admitted to the United States as a permanent resident, without first (i) obtaining the express written consent of Company in its sole discretion and (ii) complying with all applicable requirements of the International Traffic in Arms Regulations and the Export Administration Act, including without limitation the requirement for obtaining any export license or other approval, if applicable. The undersigned shall not submit any request for authority to export any such technical data without the express written consent of Company in its sole discretion.

8. Term. The obligations of the undersigned pursuant to this Agreement shall continue until three years following the last date that Confidential Information is disclosed to or observed or obtained by the undersigned pursuant to this Agreement; provided, however, that the obligations of the undersigned pursuant to this Agreement with respect to Confidential Information that the recipient knows or reasonably should know is a trade secret pursuant to applicable law shall continue for as long as such information remains a trade secret, and provided, further, that the obligations of the undersigned pursuant to Section 2 of this Agreement shall continue indefinitely.

9. Acknowledgement of Rights. The undersigned acknowledges that as between Company and the undersigned, all Confidential Information shall be and remain exclusively the property of Company. Nothing contained in this Agreement shall be construed as granting to or conferring upon the undersigned any right, by license or otherwise, expressly or by implication, in respect to any Confidential Information or any applications thereof.

10. No Warranties. The undersigned acknowledges that Company makes no representation or warranty as to the Confidential Information disclosed hereunder, including without limitation any representation or warranty as to accuracy, completeness, or relevance, and any implied such representations and warranties are hereby disclaimed. Company shall have no liability to the undersigned for any use of Confidential Information by the undersigned.

11. Return or Destruction of Confidential Information. At any time or times as may be requested by Company, and in any case within 10 days following the end of the Purpose, the undersigned shall return or permanently and securely destroy all copies and other physical

embodiments of the Confidential Information in its possession or under its control and permanently and securely delete any electronic embodiments of the Confidential Information from its computers and storage devices and media. Upon request of Company, the undersigned shall deliver a certificate of an officer of the undersigned that all such Confidential Information has been returned or destroyed.

12. Injunctive Relief. The undersigned acknowledges that the Confidential Information has been and is developed and obtained by Company with considerable effort and expense or subject to legal obligations regarding its confidentiality, that the Confidential Information is unique, secret, and valuable to Company, and that any unauthorized use of Confidential Information by the undersigned, or any disclosure of the same to any third party other than as permitted under this Agreement, would be wrongful, may violate law, and would cause irreparable injury to Company. The undersigned further acknowledges that any breach of this Agreement would cause irreparable harm to Company for which an award of money damages alone would not be an adequate remedy, and the undersigned therefore agrees that Company shall be entitled to specific performance and immediate preliminary and permanent injunctive relief without bond, without the need of proof of actual damages, and without prejudice to any other rights or remedies to which Company may be entitled as a result of a breach of this Agreement. Company shall be entitled to reasonable attorney's fees and costs incurred by it in enforcing its rights under this Agreement. Nothing in this Agreement is intended to or shall be interpreted as diminishing or otherwise limiting Company's rights under applicable law to protect its Confidential Information.

13. No Partnership, No Commitment, No Exclusivity. Except as expressly set forth in a separate written agreement between the undersigned and Company, nothing contained in this Agreement or in any disclosure undertaken or disclosures made pursuant hereto shall (i) create any partnership or joint venture as between the undersigned and Company, (ii) be deemed a commitment by the undersigned or Company to engage in any business relationship, contract, or future dealing with or for the benefit of the other, or (iii) limit the right of the undersigned or Company to conduct discussions or engage in any undertaking, whether similar to or different from the Purpose, so long as such discussions or undertakings do not violate this Agreement.

14. Other Provisions. This Agreement shall be governed by and construed in accordance with the laws of the State of California (other than its conflicts of law provisions) and venue shall exclusive in United States District Court for the Northern District of California and California courts situated in Alameda County, California If any provision of this Agreement is deemed invalid or unenforceable such provision shall be deemed limited by construction in scope and effect to the minimum extent necessary to render the same valid and enforceable. This Agreement, including any exhibits referred to in this Agreement, all of which form a part hereof, contains the entire understanding of the undersigned and Company with respect to its subject matter. This Agreement may be amended only by a written instrument duly executed by the undersigned and Company. No failure or delay in the exercise of any power, right, or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right, or privilege preclude the further exercise thereof or of any other right, power, or privilege. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be executed by him/herself or its duly authorized representative as of the date shown below.

(if individual:)

____
Signature

____
Printed Name

____
Date

(if entity:)

____
Printed Company Name

By: ___________________________________
Signature of Duly Authorized Officer

____
Title of Duly Authorized Officer

____
Date

Exhibit F

Disclosure Document Addenda Required by Certain States

Addendum to the Disclosure Document Pursuant to California Franchise Investment Law

The following additional disclosures for the Franchise Disclosure Document of Oneness City, Inc. are required by California franchise law.

1. The California Franchise Investment Law requires that a copy of all proposed agreements relating to the sale of the franchise be delivered together with the disclosure document.

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

3. 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.*).

4. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

5. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise and indemnification for the indemnitees' own negligence and strict liability. These provisions may not be enforceable under California law.

6. Neither we nor any officer 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 such persons from membership in such association or exchange.

7. 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 the franchise agreement restricting venue to a forum outside the state of California.

8. The franchise agreement requires the application of the laws of California. This provision may not be enforceable under California law.

9. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the Commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

10. You must sign a general release 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).

11. 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.

12. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

Exhibit G

Financial Statements

Exhibit H

State Administrators and Agents for Service of Process

State	State Administrator	Agent for Service of Process
CALIFORNIA	Department of Business Oversight 1515 K Street, Suite 200, Sacramento, CA 95814-4052 916-445-7205 (866) 275-2677 FREE One Sansome Street, Suite 600, San Francisco, CA 94104-4428 (415) 972-8565 (866) 275-2677 FREE 45 Fremont Street, Suite 1700, San Francisco, CA 94105-2219 Tel: (415) 263-8500 Fax: (415) 288-8830 300 S. Spring Street, Suite 15513, Los Angeles, CA 90013-1259 Tel: (213) 897-2085 Fax: (213) 897-8860 320 West 4th Street, Suite 750, Los Angeles, CA 90013-2344 (213) 576-7500 (866) 275-2677 FREE 1350 Front St. #2034, San Diego, CA 92101-3697 (619) 525-4233 (866) 275-2677 FREE 7575 Metropolitan Drive, Suite 108, San Diego, CA 92108-4421 Tel: (619) 682-7227 Fax: (619) 682-7217	Commissioner of Business Oversight

Exhibit I

Table of Contents of Operations Manual

Operations Manual

1 Employee operation manual and management concept
2 Human resource policy and work responsibility explanation
3 Store service manual and store open/close procedure
4 Customer service manual
5 Cost and expanses management
6 Store meeting and execution
7 Buy in, sell out, inventory management
8 Franchisee sales and operation forms
9 Franchisee training and employee training
10 Sanitizing and food health
11 Cash and POS management
12 Business management procedures and operations
13 Hiring process
14 Statements management
15 Storage management and classification
16 Revival of weak sales
17 Crisis management and customer complain management
18 Customer service Q&A
19 Store management
20 Manager on duty

Exhibit J

Names and Addresses of Franchisees

There are no existing franchisees as of February 28, 2017.

Exhibit K

Mandatory Supplier/ Vendor Contract

This Mandatory Supplier/Vendor Agreement (the "Agreement") is made as of the ___ day of ______________, 20___ by and between _________________________ (the "Franchisee") and Oneness City, Inc., a California corporation ("Franchisor").

WHEREAS, Franchisee is a party to a certain Franchise Agreement dated ________, 20____ (the "Franchise Agreement") by and between Franchisee and Franchisor, and

WHEREAS, Franchisee desires to operate the Franchised Store in accordance with the provisions and standards of the Franchise Agreement and Franchisor has approved the application of the transferee to succeed to and become the franchisee of the Franchised Business at the Approved Location, and

WHEREAS, the Franchise Agreement requires that, as a condition to the purchase of certain supplies (as defined below) under the Franchise Agreement, Franchisee must purchase such supplies from certain approved suppliers (as defined below).

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements contained herein, the parties covenant and agree as follows:

1. Mandatory Supplies. The undersigned Franchisee hereby agrees to purchase such supplies as are specified in writing, whether herein, in the Operations Manual, or otherwise at the discretion of Franchisor, from such suppliers as are specified in writing, whether herein, in the Operations Manual, or otherwise at the discretion of Franchisor. As of the date of this Agreement, Franchisee will purchase supplies as follows:

(a) From K. F. Resources Company, located at No. 3, Ziqi Road, Fengshan District, Kaohsiung City 830, Taiwan, Franchisee will purchase drink ingredients, dessert ingredients, and tea leaves. Orders may be placed through Franchisor or directly imported from K. F. Resources Company.

(b) From Costco Wholesale Corporation or a similar restaurant supply store, Franchisee will purchase milk, ice cream, and equipment.

3. No Release of Franchisee. Franchisee is not released from any duty or obligation imposed upon Franchisee by the Franchise Agreement, in the event of breach of contract by an approved supplier, nor is Franchisor responsible for any breach or its impacts on Franchisee's business, whether the breach was by Franchisee or by an approved supplier.

3. No Violation of Applicable Law. Notwithstanding the foregoing, this Release does not apply to any claim or cause of action arising under laws governing the offer and sale of franchises to Franchisee or the relationship between Franchisee and Franchisor if the release would violate or is prohibited by such applicable law.

4. No Warranties. Franchisor makes no representations or warranties regarding the suitability of the approved suppliers identified herein or within the Operations Manual. Revocation of approval is at the discretion of Franchisor.

5. Approval of Suppliers. Approval of suppliers is governed by the Franchise Agreement at Section 7(c) and the Operations Manual.

6. Confidentiality. The undersigned hereto and its respective counsel, representatives, and agents agree that they will not disclose any of the terms of this Agreement. The undersigned and its respective counsel, representatives, and agents are not, however, precluded from disclosing the terms of the Agreement to their attorneys, accountants, tax preparers, paid financial advisors, or any governmental, regulatory, or judicial authority which might compel the disclosure of this Agreement. Notwithstanding the foregoing, if the undersigned is served with subpoena or other governmental or judicial process seeking to compel the disclosure of this Agreement, it shall be its responsibility to notify the Franchisor within 72 hours of receipt, thus affording the Franchisor an opportunity to move to quash the subpoena or oppose the entry of any order seeking to compel the disclosure of this Agreement. Additionally, in the event it becomes necessary to file this Agreement with a court in any future enforcement action between the Franchisor and the undersigned, the parties hereby agree to apply jointly for leave to fil this Agreement under seal.

6. Consultation with Counsel. The undersigned acknowledges that it has consulted with, or had the opportunity to consult with, legal counsel of its own selection about this Agreement. The undersigned understands how this Agreement will affect its legal rights and voluntarily enters into this Agreement with such knowledge and understanding.

7. Governing Law, Consent to Jurisdiction. This Agreement will be governed by and interpreted under California law. The undersigned hereby consents and waives all objections to the non-exclusive personal jurisdiction of, and venue in the courts of the United States District Court for the Northern District of California and California courts situated in Alameda County, California, for the purposes of all cases and controversies involving this Agreement and its enforcement, and the Franchise Agreement.

8. Attorneys' Fees. The undersigned agrees that the non-prevailing party will pay all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party to enforce this Release or collect amounts owed under this Agreement.

9. Capitalized Terms. Capitalized terms not otherwise defined in this Agreement shall have the meaning assigned to that term in the Franchise Agreement, including its addenda and amendments.

10. Execution in Counterparts. To facilitate execution of this Agreement by geographically separated parties, this Agreement and all other agreements and documents to be executed in connection herewith may be executed in as many counterparts as may be required, and it shall not be necessary that the signatures on behalf of each party appear on each counterpart, but it shall be sufficient that the signature on behalf of each party appear on one or more of the counterparts. All counterparts shall collectively constitute a single agreement. It shall not be necessary in making proof of this Release to produce or account for more than a number of counterparts containing the respective signatures on behalf of all the parties hereto. All facsimile executions shall be treated as originals for all purposes.

11. Entire agreement. This Agreement constitutes the entire understanding and agreement between the parties with respect to the purchase of supplies for the Franchised Store, together with the Franchise Agreement and any modifications thereto to the extent that

they expressly pertain to the purchase of supplies and approval of vendors. This Agreement may not be changed or modified, except by a writing signed by the parties hereto.

IN WITNESS WHEREOF, the undersigned hereto has executed this Agreement as of the date and year first above written.

FRANCHISEE

____

By: ____________________________________

Printed Name: __________________________

Title: __________________________________

Exhibit L

Receipt

Receipt

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

The franchisor is ___________________________________ (name and address of franchisor).

If we offer you a franchise, we must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, it or an affiliate in connection with the proposed franchise sale.

New York and Rhode Island require that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If franchisor does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the California Department of Corporations.

Issuance date: ________________

On ________________ (date received),

I received a Disclosure Document dated ________________ (issuance date) that included the following exhibits:

EXHIBIT A. FRANCHISE AGREEMENT INCLUDING ATTACHMENTS
EXHIBIT B. AREA DEVELOPMENT AGREEMENT
EXHIBIT C. CLOSING ACKNOWLEDGEMENT
EXHIBIT D. GENERAL RELEASE
EXHIBIT E. NON-DISCLOSURE AND NON-USE AGREEMENT
EXHIBIT F. DISCLOSURE DOCUMENT ADDENDA REQUIRED BY CERTAIN STATES
EXHIBIT G. FINANCIAL STATEMENTS
EXHIBIT H. STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS
EXHIBIT I. TABLE OF CONTENTS OF OPERATIONS MANUAL
EXHIBIT J. NAMES AND ADDRESSES OF FRANCHISEES
EXHIBIT K. MANDATORY SUPPLIER/VENDOR CONTRACT
EXHIBIT L. RECEIPT

Date: ________________

________________________________ (Signature of Prospective Franchisee)

________________________________ (Typed name)