FRANCHISE DISCLOSURE DOCUMENT

樂天皇朝
PARADISE DYNASTY
LEGEND OF XIAO LONG BAO

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The franchise is for the establishment and operation of a premium restaurant which offers Chinese cuisine, products, or services, including a signature *xiao long bao* filled with distinctive flavors, and other signature delicacies, to consumers for dine-in or take-out consumption (each, a "Brand Restaurant" or "Restaurant").

The total investment necessary to begin operation of a single Restaurant ranges from $~~1,517,100~~1,624,600 to $~~3,243,400~~3,358,400. This amount includes $500,000 that must be paid to us or our affiliates. The total investment necessary to begin operation under a Development Agreement is $15,000 to $30,000, which is payable to us or our affiliates.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, Hew Woong Yong, Head, Business Development & Partner Relations +1 949 932 0287 or woongyong@paradisegroup.com.sg.

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

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

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

Date of Issuance: ~~April 1~~October 22, 2024

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

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

2. **Short Operating History**. The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

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

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

The Franchisor is Paradise Franchising Group USA, LLC referred to in this disclosure document as "we," "us," or "our." We refer to the person interested in buying a franchise as "you" or "your." If you are a corporation, partnership, limited liability company, or other entity, certain provisions of the Franchise Agreement will apply to your owners. These will be addressed in this disclosure document where appropriate.

The Franchisor

We are a Delaware limited liability company formed on February 17, 2022. Our principal business address is 2525 Main Street Suite 107, Irvine, CA 92614, USA. We do business under the name "Paradise Dynasty," "Paradise Dynasty Restaurant," and our entity name.

We have offered franchises within the United States since December 31, 2022. We operate businesses of the type being franchised. Our affiliates have offered Paradise Dynasty franchises outside of the United States since December 12, 2011. Except as discussed below, none of our affiliates has offered franchises in other lines of business. None of our affiliates provides products or services to our franchisees.

We are a wholly-owned subsidiary of Paradise Group Holdings PTE LTD, whose principal business address is 107 Defu Lane 10, #05-01 Paradise Group IHQ, Singapore 539224 ("Parent"). Parent is a Singapore based restaurant group that started and grew a variety of popular culinary brands, which includes Taste Paradise, Paradise Teochew, Seafood Paradise, Beauty in The Pot, Canton Paradise, Paradise Classic, LETEN, Paradise Hotpot, ParaThai, Le Shrimp Ramen, LeNu and a catering arm. Since its in-corporation in 2008, Paradise Group has built a food and beverage empire of more than 100 restaurants across the 12 unique culinary concepts worldwide, catering for the different needs of diners and providing employment to over 3,000 employees.

Specifically, in addition to offering franchises for Restaurants, our Parent, and our other affiliates, have offered the following types of franchises, as of December 31, 2023:

SYSTEM	SYSTEM DESCRIPTION	AFFILIATE	ENGAGED IN BUSINESS SINCE	OFFERED FRANCHISES SINCE	NUMBER OF FRANCHISED AND COMPANY-OWNED LOCATIONS
Taste Paradise	Fine Cantonese and contemporary Chinese cuisine with an impressive array of the finest and most innovative dim sum and roast fare.	Parent	2006	2012	Franchised: 1 Company-Owned: 2
Paradise Teochew	Teochew cuisine with an emphasis on natural flavors, light seasonings and fresh ingredients in its preparation of dishes	Parent	2016	NA	Franchised: 0 Company-Owned: 2

SYSTEM	SYSTEM DESCRIPTION	AFFILIATE	ENGAGED IN BUSINESS SINCE	OFFERED FRANCHISES SINCE	NUMBER OF FRANCHISED AND COMPANY-OWNED LOCATIONS
	with a menu of dishes of Teochew-style signatures coupled with an array of dim sum offerings.				
Seafood Paradise	Seafood and Chinese cuisine with a strong Singaporean identity with a touch of innovation.	Parent	2002	2017	Franchised: 1 Company-Owned: 1
Beauty in The Pot	Hotpot concept offers six nourishing soup bases that promises rich flavors coupled with abundant benefits.	Parent	2014	2016	Franchised: 7 Company-Owned: 7
Canton Paradise	Range of Hong Kong classics from roast specialties and piping-hot dim sum to delectable congee, noodles and wok-fried dishes, the essence of Hong Kong.	Parent	2010	2016	Franchised: 3 Company-Owned: 8
Paradise Classic	A modern remake of the well-loved Chinese local classics at affordable prices, featuring Braised Prawn Broth Hor Fun with Big Prawn to richly flavored Prawn Flavoured Ebiko Prawn Fried Rice and a variety of sides.	Parent	2009	NA	Franchised: 0 Company-Owned: 4
LETEN	Extensive selection of Asian dishes accompanied with exquisite dim sum, every dish is a masterpiece created with quality ingredients and mastery of skill.	Parent	2018	NA	Franchised: 0 Company-Owned: 2
Paradise Hotpot	Modern and trendy Hong Kong style steamboat concept that offers each diner an exclusive	Parent	2016	2017	Franchised: 1 Company-Owned: 1

SYSTEM	SYSTEM DESCRIPTION	AFFILIATE	ENGAGED IN BUSINESS SINCE	OFFERED FRANCHISES SINCE	NUMBER OF FRANCHISED AND COMPANY-OWNED LOCATIONS
	individual hotpot with their desired broth presented in a luxurious gold metal pot.				
ParaThai	Menu of over 50 true-blue authentic Thai dishes that stays true to the culinary culture and ancient flavors, the experienced team of Thailand home-grown chefs hopes to capture the essence of the cuisine by using original recipes and fresh premium ingredients.	Parent	2016	NA	Franchised: 0 Company-Owned: 8
Le Shrimp Ramen	Japanese ramen broth and silky threads of Chinese la mian, Le Shrimp Ramen is a perfect marriage of Chinese and Japanese culture, offering a simple menu of elaborate flavors.	Parent	2018	NA	Franchised: 0 Company-Owned: 9
LeNu	Casual Chinese noodle bar that strives to achieve perfection in every bowl to delight all diners at an affordable price.	Parent	2016	NA	Franchised: 0 Company-Owned: 12

Our Parent operates a network Restaurants in Singapore, China, Malaysia, Taiwan, Hong Kong, USA. It also franchises Restaurants in Indonesia, Thailand, Vietnam, Cambodia, Malaysia, and Philippines. The Paradise Dynasty concept was launched by Paradise Group in 2010 and there are currently 14 franchised Restaurants and 32 Restaurants operated by our Parent or our affiliates.

We do not have any predecessors. We do not have any other business activities, nor have we offered franchises in other lines of business.

The Franchise

We offer franchises for Restaurants to qualified applicants. The Franchise Agreement (Exhibit C to this disclosure document) gives you the right to establish and operate one Restaurant at a location selected by you and approved by us within a non-exclusive "Designated Area" described in the Franchise Agreement.

Restaurants operate under the Marks in compliance with the comprehensive methods and procedures for the establishment, management, and operation of Brand Restaurants ("System"). The Marks include the trade names, trademarks, service marks, logos, emblems, and other indicia of origin that we have designated, and may hereafter designate, in writing for use in connection with the System, including, but not limited to, the "PARADISE DYNASTY" name (the "Licensed Brand") and related commercial symbols (collectively, "Marks").

The System includes our methods and procedures for the establishment, management, and operation of Brand Restaurants, including the Confidential Information, our Manuals, the Marks, and other business standards and policies, the distinguishing characteristics of which include, without limitation, distinctive exterior and interior design, décor, color scheme, and furnishings; special recipes and menu items; uniform standards, specifications, policies, and procedures for operations; quality and uniformity of the products and services offered; procedures for inventory, management and financial control; training and assistance; and advertising and promotional programs, all of which we may change, improve, further develop, or otherwise modify from time to time.

As further detailed in this disclosure document, the Franchise Agreement requires you to designate an "Operating Principal." Your Operating Principal is the main individual responsible for your business. Your Operating Principal is not required to have ownership in the franchisee entity, but he or she must meet our qualifications and must be approved by us. We require your current and future Owners, including your Operating Principal if he or she is also an Owner, to sign an Owners' Guaranty and Assumption Agreement ("Guaranty"), guaranteeing your performance and binding themselves individually to certain provisions of the Franchise Agreement, including the covenants against competition and disclosure of confidential information, restrictions on transfer, and dispute resolution procedures. Your Operating Principal (if he or she is not also an Owner), and, at our request, any Key Restaurant Personnel or other of your personnel, will each sign our then-current form of confidentiality, noncompetition, and non-solicitation agreement.

In addition, and as further detailed in this disclosure document, we may also offer you the right to enter into a development agreement, a copy of which is attached to this disclosure document as Exhibit D (the "Development Agreement"), pursuant to which you will have the right and obligation to develop multiple Restaurants in the territory set forth on Attachment E of the Development Agreement (the "Territory"). The person or entity signing the Development Agreement is the "Developer." The Franchisee, in certain instances, may be referred to in this disclosure document as the "Developer" when referencing certain disclosures relating to the Development Agreement.

You will be able to exercise your development rights under the Development Agreement only by entering into (or, with our written consent, causing a majority-owned subsidiary of yours to enter into) a separate Franchise Agreement with us for each Restaurant for which a development right is granted. Under the Development Agreement you will not have any right or license to operate a Restaurant or distribute goods or services, or any right to use or interest in the Marks. The Development Agreement is intended to set forth the terms and conditions which, if fully satisfied by you, will entitle you to enter into Franchise Agreements for the establishment and operation of Restaurants within the Territory.

Competition

The market for restaurant services is well-established and highly competitive. There is active price competition among restaurants, as well as competition for management personnel and for attractive commercial real estate sites suitable for restaurants. You must expect to compete with other restaurants offering a wide variety of menu items and alcoholic and non-alcoholic beverages and other competing concepts. Competitors may be locally-owned or large, regional or national chains. The restaurant business is also affected by changes in consumer taste, demographics, traffic patterns, and economic conditions.

Industry Specific Regulation

The U.S. Food and Drug Administration, the U.S. Department of Agriculture, and state and local health departments administer and enforce laws and regulations that govern food preparation and service and sanitary conditions. State and local agencies inspect restaurants to ensure that they comply with these laws and regulations. The federal Clean Air Act and various implementing state laws require certain state and local areas to meet national air quality standards limiting emissions of ozone, carbon monoxide, and particulate matters, including caps on omissions from commercial food preparation. Some areas have also adopted or are considering proposals that would regulate indoor air quality.

Some state and local authorities have also adopted, or are considering adopting, laws or regulations that would affect the content or make-up of food served in restaurants, such as the levels of sodium and trans fats contained in a food item. Additionally, the U.S. Food and Drug Administration has issued regulations that require certain restaurants and retail food establishments to post caloric information on menus and menu boards and to provide additional written nutrition information to consumers upon request.

We may require you to obtain a liquor license during the term of the Franchise Agreement. State and local laws, regulations, and ordinances vary significantly in the procedures, difficulty, and cost associated with obtaining a license to sell liquor, the restrictions placed on the manner in which liquor may be sold, and the potential liability imposed by dram shop laws involving injuries, directly and indirectly, related to the sale of liquor and its consumption. You will need to understand and comply with those laws in operating the Restaurant.

You should consider these laws and regulations when evaluating your purchase of a franchise.

Item 2
BUSINESS EXPERIENCE

Eldwin Chua – Director/CEO
Mr. Eldwin Chua is the founder of the Parent and has served as our Director and CEO since 2002. Mr. Eldwin Chua is located in Singapore

Edlan Chua – Director/COO
Mr. Edlan Chua is the brother of Mr. Eldwin Chua, the co-founder of the Parent and has served as our Director and COO since 2006. Mr. Edlan Chua is located in Singapore.

Hew Woong Yong – Head Business Development & Partner Relations
Mr. Woong Yong has served as our Head Business Development & Partner Relations with Paradise Group, since October 2019, in Singapore. Prior to then, from February 2016 to September 2019, he served as the Franchise Manager for Hersing Corporation, located in Singapore.

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

Unless otherwise indicated below, all fees and costs are non-refundable and are imposed uniformly on all franchisees.

Initial Development Fee

Upon the execution of the Development Agreement, you may need to pay us a development fee, based on the market in which you will operate (i.e., considering factors like population density, demand, and other territorial factors). We do not currently charge a development fee. If we charge a development fee, it will not be refundable under any circumstances and will be deemed fully earned by us for administrative and other expenses incurred by us and for the development opportunities lost or deferred as a result of the rights granted to you.

Initial Franchise Fee

When you sign your franchise agreement, you must pay us a non-refundable initial franchise fee of 500,000 when you sign the Franchise Agreement for the first (1st) Restaurant.

Opening Fee

You are required to pay us a non-refundable unit opening fee of $100,000 prior to commencement of business at the 2nd Restaurant and $80,000 prior to commencement of the 3rd and each subsequent Restaurant.

Item 6
OTHER FEES

Franchise Agreement:

Type of Fees(1)	Amount	Due Date	Remarks
Royalty Fee(3)	5% of Gross Sales(2)	On or before each 15th calendar day of the month	We require you to pay the royalty fee by electronic funds transfer.
Local Advertising	You must spend up to 2% of your Restaurant's Gross Sales on local advertising.	As incurred	We may require you to allocate differing amounts to local advertising (individually or through a cooperative) or to the Advertising Fund.(4)

Type of Fees[1]	Amount	Due Date	Remarks
Advertising Fund	Currently not assessed.	Ad Fund contribution on or before each 15th calendar day of the month.	We may require you to allocate differing amounts to local advertising (individually or through a cooperative) or to the Advertising Fund.[4]
Internet Listing	Actual Costs	When billed	You must place and pay the cost of Internet listings as we require.
Inspection and Testing	Cost of inspection, if applicable, and cost of test	When billed	Before approving a supplier, we may require you to pay the cost of testing the supplier's products and inspecting its facilities (including our administrative expenses).
Audit Fee	Cost and expenses of audit, plus interest	When billed	Payable if an examination or audit shows you have understated any amount owed to us. The costs and expenses of the audit include, without limitation, reasonable accounting and attorneys' fees and costs.
Merchandise for Resale; Equipment; Décor Items	Actual costs	On demand	We may provide to you at our cost (including shipping), certain collateral merchandise for resale that identifies the System (for example, caps and t-shirts); equipment and decor items; and other products and services.
Interest	18% per year or the maximum lawful rate	On demand	We may charge interest on all overdue amounts.
Late Fee	$200 for each delinquent report or payment	On demand	We may charge a late fee for any delinquent amounts due under the Franchise Agreement.
Additional Training	At our option, then-current per diem rate; currently $250 per person; plus our costs of travel, lodging, and meals	When billed	You must also pay the wages and expenses of your personnel attending training.
On-site Remedial Training	Then-current per diem rate per person; currently $100 per person; plus our costs of travel, lodging, and meals	When billed	If you ask or if we believe it is appropriate, we will (subject to availability) provide trained representatives to conduct on-site remedial training at your Restaurant.
Replacement Training	Reimbursement for our costs of travel, lodging and meals	On demand	You must also pay the wages and expenses of your personnel attending training in Toledo.

Type of Fees[1]	Amount	Due Date	Remarks
Transfer Fee[5]	$7,500, plus our costs and expenses related to the transfer that exceed this amount (if any)	Upon application for consent to transfer	If an individual or partnership transfers rights to a corporation controlled by the same interest holders, the transfer fee is limited to reimbursement of our out-of-pocket costs.
Renewal Fee	$80,000	30 days before the end of the expiring term.	You may renew your rights for one additional 5 years renewal term, subject to your satisfaction of the conditions for renewal.
Securities Offering Fee	Actual costs	When billed	We limit our review to the manner in which the offering materials treat our relationship with you.
Indemnification	Our Losses and Expenses, as defined in the Franchise Agreement, which includes, without limitation, all losses, compensatory, exemplary or punitive damages, fines, charges, costs, expenses, lost profits, reasonable attorneys' fees and costs, court costs, settlement amounts, judgments, compensation for damages to our reputation and goodwill, costs of or resulting from delays, financing costs, costs of advertising material and media time/space and costs of changing, substituting or replacing the same, any and all expenses of recall, refunds, compensation, and public notices and all other payments of money incurred in connection with the indemnified matters.	On demand	You must indemnify us when certain of your actions result in loss to us.
Insurance Reimbursement	Our costs to procure the required insurance for you.	On demand	If you fail to maintain the required insurance, we may (but need not) obtain it for you. If we do, we will charge you a fee, plus our expenses.
Marketing Material	Actual costs	When billed	We may require you to purchase certain marketing material from us for a fee, depending on the type and quantity of material.

Type of Fees[1]	Amount	Due Date	Remarks
Mystery Shopper[6]	Amount of receipt; currently $120 per visit	When billed	You will be required to pay for two mystery shops per month. We reserve the right to conduct additional mystery shops if you fail an evaluation or if we receive a specific customer complaint about your Restaurant.
Enforcement Costs	Our costs of enforcement (including attorneys' fees and costs) if you do not comply with the Franchise Agreement.	As incurred	You must pay our costs of enforcement (including attorneys' fees and costs) if you do not comply with the Franchise Agreement.

<u>Notes</u>:

(1) All fees and expenses described above are non-refundable and, unless otherwise indicated, are imposed uniformly by, and are payable to, us. Unless we have noted differently, we may increase these amounts based on changes in market conditions, our cost of providing services, and/or future policy changes, but we have no present plans to increase any fees.

(2) Gross Sales is the total selling price of all services and products and all income of every other kind and nature related to the Brand Restaurant, whether for cash or credit, and regardless of collection in the case of credit, including, without limitation, revenue and other consideration generated from selling food, beverages, products, services, and merchandise (including delivery charges paid for deliveries made by the Brand Restaurant's employed staff), other types of revenue you receive, including the proceeds of business interruption insurance, and (if barter is permitted by us) the value of products, services, and merchandise bartered in exchange for the Brand Restaurant's products, services, or merchandise. The following are included within the definition of "Gross Sales" except as otherwise noted: (a) the full value of meals furnished to your employees as an incident to their employment, except that you may credit the value of any discounts you extend to your employees against Gross Sales during the month in which the meals were furnished to determine the amount of Gross Sales upon which fees calculated in respect of Gross Sales are due; (b) all proceeds from the sale of coupons, gift cards, gift certificates, or vouchers; provided, that when the coupons, gift cards, gift certificates, or vouchers are redeemed, you may credit their retail price against Gross Sales to determine the amount of Gross Sales upon which fees calculated in respect of Gross Sales are due; and (c) income related to catering operations and special events; and (d) reasonable entertainment expenses that you incur charged to the designated entertainment expenses account in the Brand Restaurant. If you do not record and report sales proceeds for royalty purposes when the coupon, gift card, gift certificate or voucher is sold, or if such coupons, gift card, gift certificates or vouchers are distributed free of charge, you will not be entitled to a credit against Gross Sales upon redemption of the coupon, gift card, gift certificate or voucher. Gross Sales are not reduced by the amount paid to, collected by, or shared with third-party food ordering and delivery systems with which we allow the Brand Restaurant to do business. All transactions must be entered into the Computer System at the full retail price for purposes of calculating Gross Sales. However, "Gross Sales" does not include (i) sales taxes you collect from customers of the Brand Restaurant, if the taxes are actually transmitted to the appropriate taxing authority; (ii) tips or gratuities paid directly to your employees by customers of the Brand Restaurant or paid to you and turned over by you to your employees in lieu of direct tips or gratuities; (iii) returns to shippers or manufacturers; and (iv) proceeds from isolated sales of trade fixtures not constituting any part of the products and services offered for sale at the Brand Restaurant or having any material effect upon the ongoing operation of the Brand Restaurant.

(3) The Royalty Fee for the initial term of the Franchise Agreement will be an amount equal to 5% of Gross Sales. The amount of the Royalty Fee for any renewal term will be the royalty fee required in the then-current franchise agreement.

(4) We reserve the right to increase what you are required to spend for local advertising, Cooperative advertising, or as Advertising Fund contribution; provided that in no event will your total required expenditures for advertising exceed 2% of Gross Sales for the initial term of your Franchise Agreement.

(5) The transfer fee must be submitted when the transfer request is submitted and is nonrefundable even if the proposed transfer does not occur for any reason (including if we disapprove the transfer), in which case the transfer fee you paid us for the failed transfer will not be applied to any future attempted transfer. If our costs and expenses in reviewing and processing the transfer, including attorneys' fees, exceed the applicable transfer fee, then in addition to the transfer fee, you must pay for those additional costs and expenses, including our attorneys' fees.

(6) We have the right to evaluate the operation of your Restaurant at any time, including sending mystery shoppers to your Restaurant. In addition to the two required visits per month, if, at any time, you fail an evaluation by us or by a mystery shopper, or if we receive a specific customer complaint about your Restaurant, you will be required to pay for additional mystery shopper visits as we require.

Development Agreement:

Type of Fees[1]	Amount	Due Date	Remarks
Extension Fee	1/2 of the then-current initial franchise fee payable by franchisees, multiplied by the number of new Restaurants to be developed during the extended term pursuant to the new development schedule.	As incurred.	If you extend the term of the Development Agreement.
Interest	18% per year or the maximum lawful rate.	On demand.	We may charge interest on all overdue amounts.
Intranet	Actual costs	When billed.	If we develop an intranet network, we may charge you a reasonable fee for using the intranet network.
On-Site Evaluation Services	Actual costs (e.g., ost of travel, lodging, and meals, incurred by us in conducting such on-site evaluation).	When billed.	To cover our reasonable costs for performing additional site selection and evaluation services. We will provide up to 2 on-site evaluations for the 1st Restaurant at no additional charge.
Initial Management Training	Actual incurred in connection with any initial or additional training, including, without limitation, the costs of travel, lodging, meals and wages incurred by Developer, its Operating Principal, General Manager or other personnel attending training.	When billed.	Training for your Operating Principal and General Manager is provided at no additional charge; however, we may charge a reasonable fee for training successor or replacement personnel and for any additional training programs.

Type of Fees[1]	Amount	Due Date	Remarks
Additional Training	Actual incurred in connection with any initial or additional training, including, without limitation, the costs of travel, lodging, meals and wages incurred by Developer, its Operating Principal, General Manager or other personnel attending training.	When billed.	You must also pay the expenses of your personnel attending training. Training will also be required for a replacement or successor Operating Principal and General Manager.
Transfer Fee	1/2 of the then-current initial franchise fee that we charge to new Paradise Dynasty Restaurant franchisees.	With transfer application.	There is no fee if an individual or partnership transfers rights to a corporation controlled by the same interest holders, however you must reimburse us for all costs (including attorneys' fees) associated reviewing and processing the transfer documents.
Indemnification	Our Losses and Expenses, as defined in the Development Agreement, which includes, without limitation, all losses, compensatory, exemplary or punitive damages, fines, charges, costs, expenses, lost profits, reasonable attorneys' fees and costs, court costs, settlement amounts, judgments, compensation for damages to our reputation and goodwill, costs of or resulting from delays, financing costs, costs of advertising material and media time/space and costs of changing, substituting or replacing the same, any and all expenses of recall, refunds, compensation, and public notices and all other payments of money incurred in connection with the indemnified matters.	On demand.	You must indemnify us when certain of your actions result in loss to us.
Enforcement Costs	Our costs of enforcement (including attorneys' fees and costs) if you do not comply with the Development Agreement.	As incurred.	You must pay our costs of enforcement (including attorney's fees and costs) if you do not comply with the Development Agreement.

Notes:

(1) All fees and expenses described above are non-refundable and, unless otherwise indicated, are imposed uniformly by, and are payable to, us. Unless we have noted differently, we may increase these amounts based on changes in market conditions, our cost of providing services and future policy changes, but we have no present plans to increase any fees.

Item 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT (FRANCHISE AGREEMENT)

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee (see Note 1)	$500,000	Lump sum	Upon signing the franchise agreement	Us
Lease Deposit (see Notes 2)	$10,000 to $15,000	As arranged	Upon signing lease	Landlord
Utility Deposits (see Note 2)	$1,000 to $5,000	As arranged	Upon ordering service	Utility providers
Leasehold Improvements (see Note 3)	$450,000 to $1,800,000	As arranged	As incurred or when billed	Contractors
Opening Marketing Plan (see Note 4)	$30,000 to $50,000	As arranged	As incurred or when billed	Suppliers
Furniture, Fixtures, and Equipment (see Note 6)	~~$150,000 to~~ $250,000 to $350,000	As arranged	As incurred or when billed	Approved Suppliers
POS and Computer Systems (see Note 7)	$20,000 to $25,000	As arranged	As incurred or when billed	Approved Suppliers
Insurance (see Note 8)	$3,800 to $6,000	As arranged	As incurred or when billed	Insurance companies
Signage (see Note 5)	$20,000 to $40,000	As arranged	As incurred or when billed	Suppliers
Office Expenses	$500 to $1,000	As arranged	As incurred or when billed	Suppliers
Inventory	~~$17,500 to~~ $25,000 to			Approved Suppliers

(see Note 9)	$40,000	As arranged	Upon ordering	
Licenses and Permits	$1,500 to $4,000	As arranged	Upon application	Governments
Dues and Subscriptions	$800 to $2,400	As arranged	As incurred or when billed	Vendors, trade organizations
Professional Fees (lawyer, accountant, etc.)	$5,000 to $10,000	As arranged	As incurred or when billed	Professional service firms
Travel, lodging and meals for initial training (see Note 10)	$2,000 to $5,000	As arranged	As incurred	Airlines, hotels, restaurants, etc.
Additional Funds \ (see Note 11)	$300,000 to $500,000	Varies	Varies	Employees, vendors, utilities, etc.
Total(11)	**$~~1,517,100~~1,624,600 to $~~3,243,400~~3,358,400**			

General Notes

All payments are nonrefundable unless otherwise permitted by a third-party supplier. These amounts are estimates only, and specific amounts will vary depending upon local market conditions, which are outside our control, and upon your choice of suppliers and locations. Your costs will also depend on how closely you follow the System, your management skill, local economic conditions, acceptance by local consumers, prevailing wage rates, competition and other factors. We cannot guarantee that your costs will not be higher. You should review the figures carefully with a business advisor before making any decision to purchase the franchise. You should also allow for inflation, discretionary expenditures, fluctuating interest rates and other costs of financing, local market conditions, and unforeseen events (such as storms, fire, traffic disruptions, technology problems, and strikes), which can be highly variable and can result in substantial, rapid, and unpredictable increases in costs. We occasionally may sell an operating Paradise Dynasty restaurant owned by us or our affiliate ("company units"), and when doing so, we may charge for goodwill, other intangibles, and other items that add value to an existing ongoing business. Franchisees may also sell their existing businesses. These amounts are not included in this disclosure document as they vary, are specific to any operating unit to be sold, and are difficult to predict. In our preceding fiscal year we did not sell any company units. If you develop multiple franchised businesses, you will incur these expenses for each of the businesses. To compile these estimates, we relied on our affiliate's experience in operating a similar business.

1. If (1) you fail to complete the initial training program to our satisfaction, or (2) we conclude, no more than 10 days after you complete the initial training program, that based on our evaluation criteria you do not have the ability to satisfactorily operate your franchise, then we have the right to terminate your franchise agreement. If we do so, we will refund your franchise fee (or development fee) less $5,000 or, if greater, the out-of-pocket costs we have incurred (including any broker commissions), subject to your signing a general release of our liability and confirmation of your post-termination obligations, including non-disclosure, non-competition, and indemnity. We do not refund the initial franchise fee or development fee for any other reason, and we do not refund other payments to us.

2. Landlords may require first month's rent in advance and security deposit, and utility companies may require that you place a deposit prior to installing telephone, gas, and electricity and related utility services. A typical lease security deposit will be an amount equal to one month's rent. The rental expense may vary widely based on geographic location, size of the premises, local rental rates and other factors. A typical premises occupies from 3,500 to 5,500 square feet square feet in a retail strip center of class "A" or higher. Our estimates assume that you begin paying rent when (or shortly before) you open for business. For this to occur, you would need to negotiate a "free rent" period for the time it takes to build out your business. You may be able to negotiate additional free rent or reduced rent periods after opening as well. A typical utility security deposit is one month's expense. These deposits may or may not be refundable according to the conditions of the agreements made with the utility companies and landlord.

3. The costs of construction and leasehold improvements depend upon the size and condition of the premises, the nature and extent of required leasehold improvements, the local cost of contract work and your location. We must approve your location, but the selection and lease negotiation of the premises are your sole responsibility. We require a number of mandatory provisions in your lease agreement, and you and your lessor must sign an addendum to your lease in the form attached as Exhibit D, or other form that we approve. You may choose to spend more for leasehold improvements, but this is not normally recommended. These sums do not include any sums for purchase of real property, as it is not anticipated that you will purchase real property.

4. You must conduct a grand opening promotional campaign that complies with our standards. Generally, we recommend you spend at least $30,000 for the opening marketing plan.

5. The cost of signage, graphics, and decorating varies depending on various factors, including number of exterior signs, size of exterior signage, illumination requirements, internal wall heights, size of premises, floor plan and configuration, and landlord design criteria.

6. The total for Furniture, Fixtures, and Equipment will vary depending upon the size and configuration of the restaurant and the services offered.

7. You must acquire certain computers, computer peripheral equipment, mobile smart devices, point of sale devices, software and related hardware, cloud and Internet-based hardware and software, accounting and back-office systems, information management systems, security systems, communications systems, payment acceptance systems, and Internet access, all as we specify.

8. This estimates three-months' premiums for insurance that we specify, including liability, errors and omissions, and property damage, with us as additional named insured, with limits that we set, and with an insurer meeting our requirements. It is not possible to state all of the insurance policies required and amount of coverage for each type of policy, but Section 7.15 of the Franchise Agreement lists the current minimum coverage types and amounts, which we may reasonably change. Third parties, such as landlords and governments, will have their own requirements. Their requirements and ours will change over time.

9. The initial inventory category includes food and alcohol inventory and select retail promotional products for resale at the Franchise Location. You must purchase all inventory items from our designated suppliers.

10. You must make arrangements and pay the expenses for you and your staff (including, the Key Restaurant Personnel identified in Schedule A of the Franchise Agreement) to attend our training program, including transportation, lodging and meals. The amount expended will depend, in part,

on the distance you must travel and the type of accommodations you choose. The high figure represents the estimated cost of airfare travel to and from the training locale, lodging expenses (assuming double occupancy for five nights), and dining expenses for two people attending four days of training. The low figure assumes the two individuals will carpool from home to the training locale in the same vehicle, and includes fuel costs, lodging expenses (assuming double occupancy for four nights), and dining expenses. Your designated owner and any designated full-time manager must complete the initial training program to our satisfaction.

11. This item estimates your additional funds for your restaurant 's first 3 months of operation, less income earned, and not including any salary or other payments to the franchise owner, nor any interest or other finance costs or debt service. If you are not profitable or have low net cash flow (for example, because of low sales, high costs, or high debt service), you will need additional funds. This category normally includes up to three months' rent; initial employee recruitment, training (including training for the Key Restaurant Personnel), and wages; additional and miscellaneous supplies, inventory, services, uniforms for staff, and equipment; taxes; other variable costs (e.g., electricity, telephone, heat, etc.); and other operating expenses in excess of income generated by the business. In formulating the amount required for additional funds, we relied on the following factors, basis, and experience: the development of a Paradise Dynasty restaurant by our affiliate, and our general knowledge of the industry. As described above in these footnotes, actual costs will vary from location to location and will depend on factors such as: number of employees, location, demographics of surrounding area, competition, and your skills and effort.

12. If you open a Restaurant that has more square footage than our prototype plans, you should expect these costs to increase. These figures do not include shipping, installation, or any applicable federal or state sales tax. Your initial investment will also vary considerably depending on the method and amount of financing that you use. You should review these figures carefully with a business advisor before making a final decision.

13. We do not offer any financing for your initial franchise fee or any portion of your initial investment. Unless otherwise stated, the amounts described above are not refundable.

Type of Expenditure	**Amount**	**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
Initial Development Fee (1)	0	Lump Sum	On signing of Development Agreement	Us
Professional Services (2)	$5,000 to $10,000	As Arranged	As Arranged	Accountants, Lawyers, Real Estate Brokers, Construction Management etc.
Additional Funds – For Initial 3-Month Period (3)	$10,000 to $20,000	Varies	Varies	Employees, suppliers, utilities, etc.
TOTAL	**$15,000 to $30,000**			

(1) We describe the Initial Development Fee in Item 5. Currently, we do not charge an Initial

Development Fee.

(2) This estimate is for the cost to establish an entity to hold the franchise and review the franchise documentation and for professional services related to acquiring and reviewing a lease for the premises. The cost of professional services can vary widely.

(3) You will need additional funds during the start-up phase of your business to pay employees, purchase supplies and pay other expenses. We estimate the start-up phase to be 3 months from the date you open for business. These amounts do not include any estimates for debt service. Your actual costs will depend on factors like your management skills, experience and business acumen. You should base your estimated start-up expenses on the anticipated costs in your market and consider whether you will need additional cash reserves. We relied on our previous experience to compile these estimates. You should review these figures carefully with your business advisor.

Item 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases

Uniforms

You must purchase employee uniforms from us or an approved supplier.

Point of Sale System

You must purchase the point of sale system software and related hardware and other computer system components from a source we designate. See Item 11 for more information about computer and point of sale hardware and software requirements.

System Merchandise

We have the right to make available to you for resale in the Restaurant merchandise identifying the System. This may include Restaurant memorabilia, like T-shirts, cups, and mugs. If we make this type of merchandise available, we may require you to purchase it from a supplier we designate in amounts necessary to meet your customer demand.

Furniture, Fixtures, and Decor Package
You must purchase certain furniture, fixtures, and decor items from a supplier we designate.

Approved Suppliers

If we have approved suppliers (including manufacturers, distributors, and other sources) for any food and beverage items, ingredients, supplies, materials, fixtures, furnishings, tableware, kitchen ware, kitchen equipment, kitchen machinery, computer systems, and other products used or offered for sale at the Restaurant, you must obtain these items from those suppliers. These specifications may include brand requirements. If brand requirements have been identified, you may purchase and use only approved brands. Approved or designated suppliers are those who demonstrate the ability to meet our then-current standards and specifications, who have adequate quality controls, and whom we have approved in writing and whom we have not later disapproved. We may change the number of approved suppliers at any time or approve or disapprove any suppliers at any time. We may designate ourselves or our affiliates as approved or designated suppliers of any item.

If we require that an item be purchased from an approved supplier and you wish to purchase it from a supplier we have not approved, you must submit to us a written request for approval. You must not purchase or lease the item from the supplier until and unless we have approved the supplier in writing. We have the right to require you to submit information, specifications, and samples to us to enable us to determine whether the item complies with our standards and specifications and that the supplier meets our criteria. We also have the right to inspect the supplier's facilities and to have samples from the supplier delivered to us or to an independent laboratory we designate for testing. We may condition our approval of a supplier on requirements relating to product quality, prices, consistency, reliability, financial compatibility, labor relations, client relations, frequency of delivery, concentration of purchases, standards of service (including prompt attention to complaints), or other criteria. We will notify you within 60 days of your request as to whether you may purchase products from the proposed supplier. We may re-inspect the facilities and products of any approved supplier, and we may revoke our approval upon the supplier's failure to continue to meet any of our then-current criteria. If we revoke our approval of any supplier and informing you of the same, you must promptly discontinue use of that supplier. You must reimburse us for the costs that we incur in the supplier approval process. Nothing requires us to approve any particular supplier, and we are not required to notify you of our approval or disapproval within any specified period of time. Our specifications for products and criteria for supplier approval are generally issued through written communications and are available to franchisees and approved suppliers.

None of our officers owns an interest in any privately-held suppliers, or a material interest in any publicly-held suppliers, of the Restaurant franchise system. From time to time, our officers may own non-material interests in publicly-held companies that may be suppliers to our franchise system.

Purchases According to Specifications

You must comply with all of our standards and specifications relating to the purchase of all food and beverage items, ingredients, supplies, materials, fixtures, furnishings, equipment, computer systems, and other products used or offered for sale at the Restaurant. Our standards and specifications are also contained in our Manuals (as further described in Item 11), which we have the right to add to or modify from time to time. Additionally, the following must comply with our specifications:

Site Selection and Construction

You assume all cost, liability, expense and responsibility for locating (including any costs and expenses associated with engaging our designated real estate broker), obtaining and developing a site with the Designated Area for the Restaurant that in accordance with our site selection procedures. No lease will be approved by us unless an addendum to the lease, containing covenants, in substantially the form of those in Exhibit F to the Franchise Agreement is attached to and incorporated in the lease. You must adapt our prototypical architectural and design plans as needed for the construction or remodeling of your Restaurant and provide them to us within 45 days after you acquire the site for the Restaurant. We have the right to review your plans and must notify you of our objections within 30 days after we receive your plans. If we do not notify you of any objections within that time, you may use the plans. If we do object within the 30-day time period, you may not use the plans. Any objections we make will also include a reasonably detailed list of changes that you must make for the plans to be acceptable. We will notify you within 30 days after we receive your revised plans if they are acceptable. If we do not object to your revised plans within the 30-day period, you may use the revised plans.

Insurance

You must obtain and maintain insurance policies protecting you and us and various related parties against any demand or claim with respect to personal injury, death or property damage, or any loss, liability or expense related to or connected with the operation of the Restaurant. These policies must be written by a responsible insurance carrier or carriers rated "A" or better by the A.M. Best Company, Inc. and that are acceptable to us. At a minimum, you must carry (i) comprehensive general liability insurance, including broad form contractual liability, broad form property damage, personal injury, advertising injury, dram shop liability, completed operations, products liability and fire damage coverage in the amount of $3,000,000, combined single limit per occurrence, $3,000,000 general aggregate, or any greater amounts as your lessor may require; (ii) "All Risks" coverage for the full cost of replacement of the Restaurant premises and all other property in which we may have an interest with no coinsurance clause for the premises; (iii) automobile liability coverage, including coverage of owned, non-owned and hired vehicles, with coverage in amounts not less than $3,000,000 combined single limit; (iv) alcoholic beverage/liquor liability insurance, with coverage in amounts not less than $3,000,000 combined single limit; (v) an "umbrella" policy providing excess coverage with limits of not less than $5,000,000 which must be excess to the alcoholic beverage liability, general liability, employment practices liability, and automobile coverages; (vi) business interruption insurance covering at least 24 months' loss of profits and necessary continuing expenses for interruptions caused by any occurrence; (vii) worker's compensation insurance in amounts required by applicable law and employment practices liability insurance covering all of your employees; and (viii) any other insurance required by the state or locality in which your Restaurant is situated. Additional insurance coverages and higher policy limits may specified by us from time to time in writing.

Purchasing Arrangements

We and our affiliates may derive revenue, profit, markups from the required purchases and leases of our franchisees, including for goods or services that we or our affiliates supply, and payments or other benefits to us from our suppliers related to franchisee purchases or leases. For the fiscal year ending July 31, ~~2023~~2024, our revenue from Franchisees' required purchases or leases of equipment, supplies, etc. was $542,401 of our total revenue of $238.7 million. For the fiscal year ending July 31, ~~2023~~2024, our affiliate's. revenue from Franchisees' required purchase was $0. [Please confirm if changes are necessary]

We may (i) change the number of approved suppliers at any time and may designate ourselves, an affiliate, or a third party as the exclusive source for any particular item; and (ii) profit from your purchases from designated or approved suppliers, and we and/or our affiliates may receive payments, fees, commissions, or reimbursements from such suppliers in respect of your purchases (including, without limitation, for products and services we or our affiliates provide to you and by suppliers that we designate or approve for some or all of our franchisees). At our sole discretion, we may refund such amounts to you, contribute such amounts to the Advertising Fund, or retain such amounts for our own use in our sole discretion, notwithstanding any designation by the supplier or otherwise. Contributions of any such rebates or credits to the Advertising Fund will not reduce your obligation to make the contributions to the Advertising Fund provided for in the Franchise Agreement.

We may negotiate certain purchase arrangements (including price terms) for the purchase of certain items, such as logoed paper products, cups, and certain food products, with suppliers for the benefit of franchisees. In doing so, we seek to promote the overall interests of our franchise system and our interests as the franchisor. If we negotiate a purchase agreement, you must participate in the purchasing program. We or our affiliates may receive rebates from approved or designated sources, but we do not currently receive rebates based on purchases by franchisees. We will not provide material benefits to franchisees based upon their use of designated or approved suppliers. There are currently no purchasing or distribution cooperatives for the System.

Estimated Proportion of Required Purchases and Leases to all Purchases and Leases

We estimate that of the total initial purchases and leases of goods and services that you must make to establish your business, approximately 95% of those purchases and leases are required to be made from us or our affiliates, or in another form that we specify or approve. We estimate that of the total ongoing purchases and leases of goods and services that you must make to operate your business, approximately 95% of those purchases and leases are required to be made from us or our affiliates, or in another form that we specify or approve.

Item 9
FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Section 3 and Exhibit C of Franchise Agreement; Sections 5.A., 6.I. of the Development Agreement	Items 8 and 11
b. Pre-opening purchases/leases	Sections 3, 8, 9, and 13 of Franchise Agreement	Items 5, 6, 7, 8, and 11
c. Site development and other pre-opening requirements	Section 3, 7, and 8 of Franchise Agreement	Items 1, 7, 8, and 11
d. Initial and ongoing training	Sections 6.D. and 8.A. of Franchise Agreement; Sections 5.B., 6.H. of the Development Agreement	Items 6, 7, and 11
e. Opening	Sections 3., 9.H. and Exhibit C of Franchise Agreement; Section 3.B. of the Development Agreement	Items 7 and 11
f. Fees	Sections 5 and 9 of Franchise Agreement; Section 2 of the Development Agreement	Items 5, 6, 7, and 11

Obligation	Section in Agreement	Disclosure Document Item
g. Compliance with standards and policies/operating manual	Sections 3, 4, 7,8, 9, 10, 11, 12, and 13 of Franchise Agreement; Section 5.C. of the Development Agreement	Items 8, 11, 14, and 16
h. Trademarks and proprietary information	Sections 10, 11 and Exhibit B of Franchise Agreement	Items 11, 13, and 14
i. Restrictions on products/services offered	Section 8 of Franchise Agreement	Items 8 and 16
j. Warranty and customer service requirements	Section 8.H. of Franchise Agreement; Section 6 of the Development Agreement	Item 16
k. Territorial development and sales quotas	Not Applicable	Not Applicable
l. Ongoing product/service purchases	Sections 8. and 9. of Franchise Agreement	Items 6, 8, 11, and 16
m. Maintenance, appearance and remodeling requirements	Sections 4 and 8 of Franchise Agreement	Item 8
n. Insurance	Section 13 of Franchise Agreement	Items 7 and 8
o. Advertising	Section 9 of Franchise Agreement	Items 6, 8, and 11
p. Indemnification	Section 16. of Franchise Agreement; Section 11 of the Development Agreement	Item 6
q. Owner's participation/ management/staffing	Sections 7 and 8 of Franchise Agreement; Section 6.E. of the Development Agreement	Items 1, 11, and 15
r. Records and reports	Sections 3, 5, 9, and 13 of Franchise Agreement	Item 11
s. Inspections and audits	Sections 3, 6, 8, and 12 of Franchise Agreement	Items 6, 8, and 11
t. Transfer	Section 15 of Franchise Agreement; Section 8 of the Development Agreement	Items 6, 12, and 17
u. Renewal or extension of rights	Section 4 of Franchise Agreement; Section 4.B. of the Development Agreement	Items 6, 12, and 17
v. Post-termination obligations	Section 19 of Franchise Agreement; Section 7 of the Development Agreement	Item 17
w. Noncompetition covenants	Section 11 and Exhibit B to Franchise Agreement; Sections 9.B. through 9.H., and Attachment B of the Development Agreement	Item 17

Obligation	Section in Agreement	Disclosure Document Item
x. Dispute resolution	Sections 20.F. and 20.G. of Franchise Agreement; Sections 12.F. through 12.L. of the Development Agreement	Item 17

Item 10
FINANCING

We do not offer direct or indirect financing, and we do not guarantee your notes, leases, or other obligations.

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

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

Pre-Opening Obligations: Before you open your Restaurant, we or our designee will:

1. Provide you our written site selection guidelines to assist you in selecting a site that meets our criteria. (Franchise Agreement, Sections 3.B., 6.A. and 6.B.)

2. Provide you with a site selection evaluation as we may deem necessary or in response to your reasonable request for site selection assistance (Franchise Agreement, Section 6.B.).

3. Provide access to one set of our Manuals in electronic or paper format. (Franchise Agreement, Section 6.C.)

4. Provide you a list of any approved suppliers, but you are responsible for purchasing and arranging for the receipt of all equipment, signage, fixtures, opening inventory, supplies, and other items necessary to operate the Restaurant. (Franchise Agreement, Section 6.G.)

5. Conduct an initial training program. (Franchise Agreement, Sections 6.D. and 8.A.)

6. Provide you with certain types of on-site opening assistance. (Franchise Agreement, Section 6.E.)

Continuing Obligations: During the operation of your Restaurant, we will:

1. Conduct periodic evaluations of your operations. (Franchise Agreement, Section 6.G.)

2. Establish and administer an advertising fund and provide any advertising and promotional materials we develop for local advertising. (Franchise Agreement, Sections 6.H. and 9.)

3. Give you any advice and written materials we may develop on the techniques of managing and operating Restaurants. (Franchise Agreement, Section 6.I.)

5. Give you updated lists of approved suppliers, but you are responsible for purchasing and

arranging for the receipt of all equipment, signage, fixtures, opening inventory, supplies and other items necessary to operate the Restaurant. (Franchise Agreement, Section 6.K.)

6. Provide periodic additional training programs and seminars. (Franchise Agreement, Sections 6.D. and 8.A.)

7. Provide to you, on loan, proprietary software programs (if any) as may be developed by us or on our behalf for use in the System. We reserve the right to charge a reasonable license fee. (Franchise Agreement, Section 6.F.)

8. If you enter into a Development Agreement, we will provide you our then-current written site selection guidelines and such site selection assistance as we deem advisable (Development Agreement, Section 5.A).

Advertising

There is currently no advertising fee. Any advertising, promotion, and marketing you conduct must be completely clear and factual and not misleading and must conform to the highest standards of ethical marketing and the promotion policies that we prescribe periodically. Samples of all advertising, promotional, and marketing materials that we have not prepared or previously approved must be submitted to us for approval before you use them. If you do not receive written disapproval within 15 days after our receipt of such materials, we will be deemed to have given the required approval, but we may withdraw our approval at any time. You may not use any advertising or promotional materials that we have disapproved.

During each calendar year during the term of the Franchise Agreement, we recommend that you spend up to 2% of your Restaurant's Gross Sales on advertising. Currently, we do not have a required obligation for you to spend a percentage of your Restaurant's Gross Sales on local advertising and contribute or to contribute to an advertising fund ("Advertising Fund"). Upon written notice to you, we may vary or increase the portion that you are required to spend for local advertising, Cooperative advertising, or as an Advertising Fund contribution; provided that in no event will your total required expenditures for advertising exceed the maximum set forth above.

Grand Opening

Within the first four to six weeks that your Restaurant is open, you must participate in a grand opening promotion and all advertising and sales promotion programs that we may authorize or develop for Restaurant. (Franchise Agreement, Section 9.E. and 9.H.)

Local Advertising

We encourage you to spend up to 2% of your Restaurant's Gross Sales on local advertising. You must submit to us any reports (including substantiating receipts) detailing your local advertising expenditures that we may require. We may increase or reallocate the proportion of those monies directed to local advertising (individually or through a Cooperative) and to the Advertising Fund; provided that in no event will your total required expenditures for advertising exceed the maximum advertising thresholds noted above. (Franchise Agreement, Section 9.)

You must pay the cost of Internet listings on such Websites and in such online directories and categories that we may require. We will not credit your payments for these listings towards your local advertising expenditure requirement. (Franchise Agreement, Section 9.I.)

Advertising Cooperative

There is currently no advertising cooperative. We can designate any geographic area in which two or more company-owned or franchised Restaurants are located as a region for an advertising cooperative ("Cooperative"). If we do, the Cooperative will be organized, maintained, and administered as we determine, under the Cooperative's governing documents. Any Cooperatives we authorize will be for the exclusive purposes of serving as a conduit for collection and expenditure of the Cooperative contributions, general administration of advertising programs, and developing local advertising and promotional materials for its members. If a Cooperative is established for an area that includes your Protected Area, you must become a member of the Cooperative and participate in the Cooperative by contributing the amounts required by the Cooperative's governing documents. However, you will not be required to contribute more than the amount you would otherwise be required to spend on local advertising, and your Cooperative contribution will be applied toward satisfaction of your local advertising requirement. You must also submit to the Cooperative and to us all statements and reports that we, or the Cooperative, may require. (Franchise Agreement, Section 9.C.)

Advertising Fund

There is currently no advertising fund. In addition to local advertising (individually or through a Cooperative), we have the right to establish an Advertising Fund to which you must contribute. Upon written notice to you, we may vary or increase the portion of the advertising that you are required to spend as an Advertising Fund contribution; provided that in no event will your total required expenditures for advertising exceed the maximum referenced in the Franchise Agreement. (Franchise Agreement, Section 9.A.)

We or someone we designate will administer the Advertising Fund. We will direct all programs financed by the Advertising Fund, including the creative concepts, materials, endorsements, and the geographic market and media placement and allocation thereof. We may use the Advertising Fund to satisfy the costs of producing video, audio, and written advertising materials; administering national, regional, and multi-regional advertising programs; developing and maintaining an Internet Website; and supporting public relations, market research, and other advertising, promotion, and marketing activities. We are not required to make expenditures for you that are equivalent or proportionate to your Advertising Fund contribution or to ensure that any particular franchisee benefits directly or in proportion to its contribution to the Advertising Fund. At this time we do not currently use the Advertising Fund contributions for advertising that is principally a solicitation for the sale of franchises, however we reserve the right to use the Advertising Fund contributions for that purpose in the future.

Currently, we anticipate that Advertising Fund advertising will be conducted primarily through electronic or print media on a regional basis, and that the majority of our advertising will initially be developed in-house. We presently do not have an advertising council. We may use the Advertising Fund to directly place advertising in your local or regional market; however, we also intend to use the Advertising Fund to create and prepare marketing materials or advertising programs that will be provided to you so that you may directly place or implement such materials or programs in your local or regional market. Any amounts that you spend to place or implement advertising created by the Advertising Fund in your local or regional market will be credited towards your local advertising obligations.

The Advertising Fund may be used for any activities that are designed to promote, enhance or support the brand, including: (i) developing, maintaining, administering, directing and preparing advertising, marketing, promotional and training materials; (ii) developing, maintaining, enhancing and updating the website and social media (both of which may contain information relating to franchise opportunities for

Restaurants); (iii) conducting brand-related research (including surveys of customers, consumers, and franchisees) and implementing programs based on the results of such research; (iv) developing, promoting and marketing branded apparel and other merchandise; (v) preparing and conducting advertising, promotional and marketing campaigns (including through social media, television, radio, magazine, newspaper, direct mail, billboards, and other channels); (vi) conducting public relations activities; and (vii) employing advertising agencies and other third parties to assist therein. We will not use your Advertising Fund contributions to defray any of our operating expenses, except for any reasonable salaries, administrative costs, travel expenses, and overhead that we may incur in administering the Advertising Fund and its programs. Although not contractually required to do so, we anticipate that each Restaurant owned by us or an affiliate of ours will contribute to the Advertising Fund on the same basis as our franchisees. We will prepare an annual statement of the Advertising Fund's operations and will make it available to you if you request it. We are not required to have the Advertising Fund statements audited.

No Advertising Fund monies were collected or spent during our last fiscal year, ended July 31, ~~2023~~2024.

We do not undertake any obligation to make expenditures for you or any other franchisee (or in any Designated Area or territory) which are equivalent or proportionate to your contributions or to ensure that you or any other franchisee benefits directly or pro rata from the placement of advertising. Fund contributions that are not spent in the year in which they are collected will be carried over to succeeding years. We may terminate the Advertising Fund at any time upon 30 days prior written notice to you. If we terminate the Advertising Fund, all unspent monies will be distributed to the contributors in proportion to their respective contributions during the preceding 12-month period. (Franchise Agreement, Section 9.D.)

Computer Systems

The Franchise Agreement requires that you use only the point of sale cash registers and computer systems and equipment that we prescribe for Restaurants ("Computer System") and that you promptly adhere to our requirements. Requirements may include hardware components, dedicated telephone lines, a high-speed, broadband Internet connection, at our then-current, minimum bandwidth specification, modems, printers, and other computer-related accessories and peripheral equipment. We may require you to add to your Computer System memory, ports, and other accessories or peripheral equipment or additional, new, or substitute software, replace or upgrade your Computer System (software and hardware) and other computers, and enter into maintenance agreements for the Computer System. There is no contractual limitation on the frequency or cost of these obligations, and you are responsible for the costs of all Computer System requirements. The estimated annual cost of upgrading and maintaining the Computer System is between $30,000 and $50,000 per year.

You must acquire, maintain, and upgrade the Computer System that we specify, which currently includes the POS System, one desktop computer system, one Apple® iPad, credit card processing hardware, and the software programs Booker and QuickBooks Online. The estimated initial cost of purchasing the software and hardware for your POS and Computer Systems is $20,000 to $25,000 for the Restaurant.

We will provide you 30 days advance written notice of any changes to our Computer System requirements. You must acquire, install, and maintain such anti-virus and anti-spyware software as we require and must adopt and implement such Internet user policies as we may prescribe for purposes of avoiding, blocking, and eliminating viruses and other conditions that interfere with the operation of the Computer System.

You must: (a) use any proprietary and non-proprietary software programs, system documentation manuals, and other materials that we require in connection with the operation of the Restaurant; (b) input and maintain in your Computer System such data and information as we prescribe; and (c) purchase new or upgraded software programs, system documentation manuals, and other proprietary and non-proprietary materials at then-current prices whenever we adopt new or upgraded programs, manuals, and materials for the System. You must enter into all software license agreements, "terms of use" agreements, and software and hardware maintenance agreements, in the form and manner we prescribe, and pay all fees imposed by the agreements.

You must acquire and use, from the date the Franchise Agreement is signed until the expiration or termination of the Franchise Agreement, a valid email address. You must provide us notice of any changes to your email address and provide us the new or revised email address immediately upon its acquisition.

We may independently access your Computer System and retrieve, analyze, download, and use all software, data, and files stored or used on the Computer System. We may independently access the information system through our intranet, in your Restaurant, or from or through other locations and methods. You must store all data and information that we designate and report data and information in the manner we specify, including through our intranet, file exports, or other online communications or services. There is no contractual limitation on our right to independently access this information. You also must maintain a phone line and a high-speed, broadband Internet connection, at our current, minimum bandwidth specification, dedicated to the sole use of allowing the exchange of information between you, us, and any third-party vendors that we require, and any software and/or services designated by us to facilitate these communications. You must maintain and share with us a permanent, Internet email account.

Neither we nor our affiliates are required to provide ongoing maintenance, repairs, upgrades, or updates to your Computer System or other computer equipment.

You must, at all times, be compliant with all applicable and current Payment Card Industry Data Security Standards ("PCI DSS") requirements and other data security policies that we may implement. For more information about PCI DSS, you may visit https://www.pcisecuritystandards.org/.

Operating Manual

After you sign the Franchise Agreement, we will provide you with access to one set of our Manuals in electronic or paper format. A copy of the table of contents of the Manuals is attached as Exhibit E to this disclosure document. Our Manuals contain a total of 135 pages. We consider the contents of the Manuals to be proprietary, and you must treat them as confidential. You may not make any copies of the Manuals. We have the right to add to or modify the Manuals from time to time.

Training Program

Your Operating Principal, Chefs and Restaurant Managers, and such other persons we may designate in the Manuals (e.g., Key Restaurant Personnel), must successfully complete our management training program at least 45 days before the Opening Date. (Franchise Agreement, Section 8.A.)

Our initial training program is offered as needed during the year depending on the number of new franchisees entering the System, the number of other personnel needing training, and the scheduled opening of new Restaurants. The subjects covered, approximate hours of classroom and on the job training, and other information about our initial training program are described below:

TRAINING PROGRAM

Subject	Hours of Classroom	Hours of On-The-Job	Location

	Training	Training	
Paradise Dynasty Process & Procedures	2	2	Online/remote, a Paradise Dynasty Restaurant that we or our affiliate operates, or at another location that we choose
Food Preparation	8	40	Online/remote, a Paradise Dynasty Restaurant that we or our affiliate operates, or at another location that we choose
Operations	4	4	Online/remote, a Paradise Dynasty Restaurant that we or our affiliate operates, or at another location that we choose
Merchandising	2	2	Online/remote, a Paradise Dynasty Restaurant that we or our affiliate operates, or at another location that we choose
Inventory	2	2	Online/remote, a Paradise Dynasty Restaurant that we or our affiliate operates, or at another location that we choose
Market/Advertising	4	8	Online/remote, a Paradise Dynasty Restaurant that we or our affiliate operates, or at another location that we choose
Community Outreach	3	2	Online/remote, a Paradise Dynasty Restaurant that we or our affiliate operates, or at another location that we choose
Customer Service	2	4	Online/remote, a Paradise Dynasty Restaurant that we or our affiliate operates, or at another location that we choose
Mission Statement	1	0	Online/remote, a Paradise Dynasty Restaurant that we or our affiliate operates, or at another location that we choose
Misc.	2	2	Online/remote, a Paradise Dynasty Restaurant that we or our affiliate operates, or at another location that we choose
TOTALS:	30	66	

Our initial training program is subject to change without notice to reflect updates in the materials, methods, and manuals and changes in personnel. The subjects taught and the time periods allocated for each subject may vary based on the experience of the trainees.

Our training will be supervised by our Brand Executive Chef and General Manager, as follows:

1) Horace He our Executive Chef for Paradise Dynasty will oversee the initial training programs for your expat chefs. Chef He has thirty four years of experience in Chinese culinary.

2) Ms. Lin Sifang, our Head of Marcoms will cover the training for your Marketing Manager. Ms. Lin has over 15 years of Marketing and Communications experience.

3) Mr. Neil Tan, our Group Finance Manager will oversee the initial training of your finance executives on all financial and sales reporting matters relating to the franchise. Neil has over 15 years of experience in field of Finance.

The materials used in training include the Manuals as well as other presentation materials, including PowerPoint presentation and handouts.

Initial training for the individuals that we designate in the Manuals or otherwise (which may include your Owners, Operating Principal, and Key Restaurant Personnel) is provided at no additional charge; however, we reserve the right to charge our then-current fee for training successor or replacement personnel and for any additional training programs. You are responsible for any and all expenses incurred in connection with any initial or additional training, including, without limitation, the costs of travel, lodging, meals, and wages incurred by you, your Owners, and your personnel.

We may require you to pay us a reasonable fee for performing each site evaluation and to pay or reimburse us for the amount of the reasonable expenses, including, without limitation, the cost of travel, lodging, and meals, incurred by us in conducting any on-site evaluation. Upon your reasonable request, or if we determine it to be necessary, on-site remedial training; provided that remedial training will be conducted subject to the availability of our personnel, and provided further, that we may require you to pay the per diem fee we are then charging for on-site remedial training, and pay or reimburse us for the expenses incurred by our representatives, including the costs of travel, lodging, and meals.

Under the Development Agreement, and to assist you in the selection of sites for your Restaurants, we will provide to you: (i) our written site selection guidelines and such site selection assistance as we deem advisable; (ii) on-site evaluation as we may deem necessary or in response to your reasonable request for site selection assistance; (iii) our prior written consent and subject to our then-current certification procedures, we may authorize you to implement a training program for other employees of the Restaurants developed pursuant to the Development Agreement in accordance with our then-current standards; and (iv) with access to 1 set of our Manuals for each Restaurants to be developed.

Typical Length of Time Before You Open Your Restaurant

We estimate that it will be approximately 365 days from the time you sign the Franchise Agreement to the time you begin operations. This time period may be shorter or longer depending on the modifications that must be made to the site to accommodate your Restaurant. You must begin business within 365 days after signing the Franchise Agreement, unless we give you a written extension. (Franchise Agreement, Section 3.F.) You may request to extend your Opening Date deadline by 30 days by providing us your request in writing no later than 45 days before the Opening Date deadline. If we agree to your request, you must pay us our then-current extension fee. (Franchise Agreement, Section 3.D.)

Item 12
TERRITORY

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

Franchise Agreement

Under the Franchise Agreement you will have the sole right to operate a Restaurant at a site selected by you and approved by us within the non-exclusive Designated Area (the "Franchise Location"). We will determine the Designated Area and insert it in the Franchise Agreement before you sign the Franchise Agreement. The Designated Area will exclude any existing or future protected area of another franchisee that is or may be within the Designated Area. After your selection and our approval of the Franchise Location, we will assign you a geographic protected area (excluding any Reserved Area) around the Franchise Location ("Protected Area"), and we will not, without your consent, establish, or grant a third party to establish, a Restaurant within the Protected Area during the term of the Franchise Agreement, as long as you remain in compliance with the Franchise Agreement and any other agreements you have with us or our affiliates. We do not guarantee any minimum area of protection and the Protected Area may be as small as an office or retail building in densely populated urban areas. The criteria which will influence the exact radius will include population density, local economic and other demographic data and other local market trends. You are not required to achieve any particular sales volume or market penetration or meet any other contingency to maintain your rights in the Protected Area.

The Franchise Agreement only grants you the right to operate your Restaurant at the Franchise Location and to deliver or cater within the Protected Area (except in response to a customer request with our written consent). You may not actively solicit or accept business from consumers through any method of distribution not expressly permitted by the Franchise Agreement, including alternative channels such as the Internet, catalog sales, telemarketing, or other direct marketing. You may use the Internet to advertise on our Website only to the extent expressly permitted under, and in compliance with, the Franchise Agreement. You may conduct permitted catering activities outside the Protected Area in response to a customer request. You have no options or similar rights to acquire additional franchises.

We retain all other rights. Among other things, this means we can:

(i) operate, and license others to operate, Brand Restaurants at any location outside the Protected Area and in any Reserved Area, including locations that are adjacent to or surrounded by the Protected Area; A "Reserved Area" means any enclosed shopping center, amusement parks, theme parks, sports stadiums and arenas, airports, train stations, hospitals, schools, hotels, office buildings, and military bases.

(ii) within and outside the Protected Area, to develop and establish, and license others to operate, other business systems (including, Other Brands, and other systems that distribute products or services similar to those offered at Brand Restaurants) using other names or marks and to grant licenses to use those systems; "Other Brands" mean other brands and/or franchise systems and/or trademarks (other than the System and the Marks) now or hereafter acquired or owned or licensed by any one or more of us or our Affiliates, regardless of whether they are competitive or not with the System. As of the Effective Date, our Other Brands include, but are not limited to, the brands listed in Schedule A of the Franchise Agreement.

(iii) advertise and promote the System in the Protected Area;

(iv) subject to your territorial rights described above against the establishment of another Brand

Restaurant in the Protected Area and delivery of products prepared at a Brand Restaurant to customers in the Protected Area, to engage, directly or indirectly, at wholesale, retail, or otherwise, in the production, distribution, license and sale of any and all food, beverages, or other services and products, under the Marks or under other names or marks (including, Other Brands), within and outside the Protected Area, through any other method of distribution, including, but not limited to, grocery stores, supermarkets, convenience stores, mail order catalogs, community or special events of any kind, and the Internet, regardless of the competitive impact on the Brand Restaurant;

(v) acquire the assets or ownership interests of one or more businesses offering and selling products and services similar to those offered and sold at Brand Restaurants (even if such a business operates, franchises, or licenses Competitive Businesses), and operate, franchise, license, or create similar arrangements for those businesses once acquired, wherever those businesses (or the franchisees or licensees of those businesses) are located or operating, including within the Protected Area;

(vi) be acquired (whether through acquisition of assets, ownership interests, or otherwise, regardless of the transaction form) by a business offering and selling products and services similar to those offered and sold at Brand Restaurants, or by another business, even if such business operates, franchises, or licenses Competitive Businesses inside or outside the Protected Area; and

(vii) to engage in all other activities this Agreement does not expressly prohibit.

You cannot relocate your Restaurant without our consent. If you lose possession of the Franchise Location through no fault of your own, you must apply to us within 30 days for our approval to relocate your Restaurant. You must relocate to another site in the Protected Area.

Development Agreement

Further, and as noted in Item 1, under the Development Agreement will, you will not have any right or license to operate a Restaurant or distribute goods or services, or any right to use or interest in the Marks. The Development Agreement is intended to set forth the terms and conditions which, if fully satisfied by you, will entitle you to enter into Franchise Agreements for the establishment and operation of Restaurants within the Territory.

Subject to your full compliance with the Development Agreement (and its and its affiliates compliance with any other agreements with us or and of our affiliates), neither we nor any of our affiliates will establish, or authorize any person or entity other than you or any of your affiliates to establish, a Paradise Dynasty Restaurant in the Territory during the term of the Development Agreement.

We and our affiliates do retain all other rights, including, without limitation, the right (i) to develop and establish other business systems using the Marks, or other names or marks, and to grant licenses to use those systems without providing any rights to you, (ii) to advertise and promote the System in the Territory, (iii) to operate, and license others to operate, Paradise Dynasty Restaurants under the Marks and the System at any location outside the Territory and in any Reserved Area (i.e., airport) and (iv) except for the restriction against the establishment of another Paradise Dynasty Restaurant in the Territory during the term of the Development Agreement, to engage, directly or indirectly, at wholesale, retail or otherwise, in the production, distribution, license and sale of any and all cooking, food, nutrition or related accessories or other services and products, under the Marks, or under other names or marks, within and outside the Territory, through any method of distribution, including, but not limited to, mail order catalogs and the Internet regardless of the proximity to, or the competitive impact on, your operations in the Territory.

We will provide you with our written site selection guidelines and such site selection assistance as we deem advisable, and additional sites will be approved in accordance with such requirements. The development rights granted under the Development Agreement will be exercised following satisfaction of the conditions set forth in Section 3.A. of the Development Agreement and pursuant to a development schedule (the "**Development Schedule**"). The Franchise Agreement for the first Restaurant to be developed by you or your affiliate under the Development Schedule must be in the form of the Franchise Agreement attached as Attachment C to the Development Agreement and must be executed within 90 days of the effective date of the Development Agreement. All subsequent Restaurants developed under the Development Agreement will be established and operated pursuant to the form of Franchise Agreement then being used by us for new franchisees of Restaurants under the System, except that the initial franchise fee will not be required to be paid as per Section 2.B of the Development Agreement, and the royalty and brand building expenditure percentages will be the same as those set forth in the Franchise Agreement attached as Attachment C to the Development Agreement.

If during the term of the Development Agreement, you cease to operate any Restaurant developed under the Development Agreement for any reason, you must develop a replacement Restaurant. The replacement Restaurant must be developed within a reasonable time not to exceed 180 days after you cease to operate the original Restaurant. If, during the term of the Development Agreement, you transfer your interest in a Restaurant in accordance with the terms of the applicable Franchise Agreement for the Restaurant, the transferred Restaurant will continue to be counted in determining whether you have complied with the Development Schedule so long as it continues to be operated as a Restaurant. If the transferred Restaurant ceases to be operated as a Restaurant during the term of the Development Agreement, you must develop a replacement Restaurant within a reasonable time (not to exceed 180 days) thereafter. Failure by you to adhere to the Development Schedule (including any extensions thereof approved by us in writing) or to any time period for the development of replacement Restaurants will constitute a material breach of the Development Agreement.

If there is a material default of the Development Agreement, for which we may terminate, then, we may, to the fullest extent permitted by law, and in our sole discretion, elect to exercise any one or more of the following remedies in lieu of terminating the Development Agreement: (i) terminate or modify any territorial protections granted to you under the Development Agreement, (ii) reduce the size of the Territory, (iii) reduce the number of Brand Restaurants which you may establish pursuant to the Development Schedule; and (iv) terminate any then-existing Franchise Agreement.

Item 13
TRADEMARKS

We grant you a limited, non-exclusive license to use our principal trademarks and other trademarks in connection with the operation of your franchised business only at your premises and within your designated territory, provided you use these trademarks as outlined in the franchise agreement and our manual. By trademark we mean trade names, trademarks, service marks, logos, trade dress, and other commercial symbols used to identify the business. Our parent, Paradise Group Holdings Pte. Ltd., owns and licenses to us, and grants us the right to sub-license to you the trademarks listed below.

Our primary trademarks are registered with the U.S. Patent and Trademark Office ("PTO") on the Principal Register, as described below. Paradise Group Holdings Pte. Ltd. also claims common law rights in the trademarks based on its, our, and our affiliates' prior usage. You may not use any of our trademarks as part of your business entity name, or your Internet domain name or any similar Internet identifier or account name, or on any employee forms. We control all Internet access, marketing, and usage related to the franchised business.

Trademark	Registration Date	Registration Number
PARADISE DYNASTY®	August 18, 2020	6,129,175
樂天皇朝	August 25, 2020	6,135,255
樂天皇朝 PARADISE DYNASTY LEGEND OF XIAO LONG BAO	September 15, 2020	6,151,502
PARADISE DYNASTY 樂天皇朝 LEGEND OF XIAO LONG BAO	~~21 February 2023 (Application date)~~ ~~Registration Pending~~May 14, 2024	~~15744487~~7383425

There is no presently effective determination of the U.S. Patent and Trademark Office, the trademark trial and appeal board, the trademark administrator of any state or any court, nor any pending infringement, opposition, or cancellation proceeding, nor any pending material litigation involving the Marks which is relevant to its ownership, use or licensing.

We know of no superior prior rights or infringing use that could materially affect your use of the Marks, and we know of no agreements currently in effect which significantly limit our rights to use or license the use of the Marks in any manner material to the franchise.

The Intercompany License Agreement between us and Paradise Group Holdings Pte. Ltd. grants us the exclusive right to sublicense the trademarks to franchisees throughout the United States. The agreement is of perpetual duration. It may be modified only by mutual consent of the parties. It may be canceled by our affiliate only if (1) we materially misuse the trademarks and fail to correct the misuse, or (2) we discontinue commercial use of the trademarks for a continuous period of more than one year. The Intercompany License Agreement specifies that if it is ever terminated, your franchise rights will remain unaffected.

We are not obligated to protect your rights to use the Marks or to protect you against claims of infringement or unfair competition. We are not obligated to participate in your defense and/or indemnify you for expenses or damages if you are party to an administrator or judicial proceeding involving the Marks if the proceeding is resolved unfavorably to you.

You must promptly notify us of any infringement of the Marks or of any challenge to the use of any of the Marks or claim by any person of any rights in any of the Marks. You and your Owners must agree not to communicate with any person other than us, any designated affiliate, and our or their counsel about any infringement, challenge or claim. We or our affiliates have sole discretion to take any action we deem appropriate and the right to exclusively control any litigation, or Patent and Trademark Office (or other) proceeding, from any infringement, challenge or claim concerning any of the Marks. You must sign all instruments and documents and give us any assistance that, in our counsel's opinion, may be necessary or advisable to protect and maintain our interests or those of our affiliates in any litigation or proceeding or to otherwise protect and maintain our or their interest in the Marks.

You may not use any of the Marks as part of your corporate or other name. You must also follow our instructions for identifying yourself as a franchisee and for filing and maintaining the requisite trade name or fictitious name registrations. You must sign any documents we or our counsel determine are necessary to obtain protection for the Marks or to maintain their continued validity and enforceability. Neither you nor your Owners may take any action that would prejudice or interfere with the validity of our rights with respect to the Marks and may not contest the validity of our interest in the Marks or assist others to do so.

We have the right to substitute different trade names, service marks, trademarks and indicia of origin for the Marks if the Marks can no longer be used, or if we determine, in our sole discretion, that the substitution will be beneficial to the System. If we do, we may require you to discontinue or modify your use of any Mark or use 1 or more additional or substitute Marks at your expense.

Item 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any patents or pending patent applications that are material to the franchise. We do claim common law copyright protection and proprietary rights in the original materials used in the System, including our Manuals, bulletins, correspondence and communications with our franchisees, training, advertising and promotional materials, and other written materials relating to the operation of Restaurants and the System. These copyrights are not registered.

There is no presently effective determination of the U.S. Copyright Office (Library of Congress) or any court affecting our copyrights. There is no currently effective agreement that limits our right to use and/or license our copyrights. We are not obligated by the Franchise Agreement, or otherwise, to protect any rights you have to use the copyrights. We have no actual knowledge of any infringements that could materially affect the ownership, use or licensing of the copyrights.

We treat all of this information as trade secrets and you must treat any of this information we communicate to you confidentially.

You and your Owners must agree not to communicate or use our confidential information for the benefit of anyone else during and after the term of the Franchise Agreement. You and your Owners must also agree not to use our confidential information at all after the Franchise Agreement terminates or expires. You and your Owners can give this confidential information only to your employees who need it to operate your Restaurant. You must have your Key Restaurant Personnel and any of your other personnel who have received or will have access to our confidential information, sign similar covenants.

As between you and us, all customer data (including customer names, billing and shipping addresses, phone numbers, email addresses, payment records, account history, and all other information regarding the customers of your Restaurant) belongs to us. If you or your Owners develop any new concept, process, or improvement in the operation or promotion of your Restaurant, you must promptly notify us and give us all necessary information about the new process or improvement, without compensation. You and your Owners agree that any of these concepts, processes or improvements will become our property, and we may use or disclose them to other franchisees, as we determine appropriate.

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

BUSINESS

When you sign the Franchise Agreement, you must designate an individual to serve as your "Operating Principal." The Operating Principal it not required to have any ownership in the franchisee entity, but the Operating Principal must meet our qualifications and must be approved by us. The Operating Principal for all Restaurants operated by you and, if applicable, your affiliates, must be the same person, and the same person must act as your Operating Principal under all Franchise Agreements between us.

Your Operating Principal must devote his or her full time and best efforts to the supervision of your operations under the Franchise Agreement. He or she must satisfy our training requirements and our other standards and must sign our then-current form of confidentiality, noncompetition, and non-solicitation agreement. We require your current and future Owners, including your Operating Principal if the Operating Principal is also an Owner, to sign an Owners' Guaranty and Assumption Agreement, guaranteeing your performance and binding themselves individually to all of your obligations under the Franchise Agreement. You or your Operating Principal must attend the annual meeting, convention, or conference of franchisees and all meetings relating to new products or product preparation procedures, new operational procedures or programs, training, restaurant management, sales or sales promotion, or similar topics, at your own expense.

At least 90 days before the Restaurant opens for business, you must designate no less than 1 Restaurant General Manager, 1 Assistant Restaurant General Manager, 1 Head Wok, 1 Wok 2, 1 Head Cutter, 1 Head Dim Sum and 2 Dim Sum 1 (collectively the Key Restaurant Personnel), that had completed the initial training. The Key Restaurant Personnel must satisfy our educational and business criteria and must be acceptable to us. The Key Restaurant Personnel are responsible for the daily operation and management of the Restaurant and must devote their full time and best efforts to the business. They must also satisfy the training requirements in the Franchise Agreement.

You must notify us promptly if your Operating Principal or Key Restaurant Personnel cannot continue or no longer qualifies to serve as an Operating Principal or a Key Restaurant Personnel. You will have 30 days from the date of the notice (or from any date that we independently determine the Operating Principal or Key Restaurant Personnel no longer meets our standards) to take corrective action. During that 30-day period, you must provide for interim management of your operations in compliance with the Franchise Agreement.

At our request, you must have your Key Restaurant Personnel and any other personnel who will have access to our training, sign covenants not to compete and must maintain the confidentiality of information they have access to through their relationship with you. These covenants will be in substantially the form of Exhibit B to the Franchise Agreement. We have the right, in our sole discretion, to decrease the period of time or geographic scope of the noncompetition and nonsolicitation covenants or eliminate the noncompetition and non-solicitation covenants altogether for any person who must sign an agreement described in this paragraph.

Item 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

All products you use or sell at the Restaurant must conform to our standards and specifications. These are described in our Manuals and other writings. You must not deviate from our standards and specifications unless we first give you our written consent. You must also comply with all applicable laws and regulations and secure all appropriate governmental approvals for the Restaurant.

You must offer and sell only the menu items, products, and services that we have expressly approved in writing. You must stop selling any menu items, products, or services that we disapprove in writing. There is no limit on our right to add or remove items from our standard menu, and you must promptly comply with any changes that we make to the menu. You must prepare all menu items using the procedures for preparation contained in our Manuals or other written instructions. You must not use or offer nonconforming items, unless we first give you our written consent. You must open and operate the Restaurant during the hours we specify in the Manual or otherwise in writing. At our sole discretion, make available to you at a reasonable cost any merchandise we develop or approve for resale.

We reserve the right, to the fullest extent allowed by applicable law, to establish maximum, minimum, or other pricing requirements with respect to (i) the prices you may charge for products or services and (ii) the delivery fee that you (or your approved delivery service designee) charges for delivery of any such products or services. You cannot offer any complimentary or reduced-price products or services without our prior written approval.

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

This table lists certain important provisions of the Franchise Agreement. You should read these provisions in the Franchise Agreement attached to this disclosure document.

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	FA: Section 4.A. DA: Section 4.A.	FA, DA: 6-year initial term
b. Renewal or extension of the term	FA: Section 4.B. DA: Section 4.A.	FA: 1 additional term of 6 years DA: Term may be extended by up to 10 years.
c. Requirements for franchisee to renew or extend	FA: Section 4.B. DA: Section 4.A.	FA: Your renewal right permits you to remain as a franchisee after the initial term of your Franchise Agreement expires. However, to remain a franchisee, you must meet all required conditions to renewal, including signing our then-current form of franchise agreement, which may be materially different than the form attached to this disclosure document. Others conditions are: Give written notice; update required items; not be in default; pay all money owed; retain right to Location; sign our then-current form of renewal franchise agreement; pay us a renewal fee; sign general release; comply with then-current qualifications and training requirements. DA: Your extension right permits you to remain as a developer after the initial term of your Development Agreement expires. However, to remain a developer, you must meet all required

Provision	Section in Franchise Agreement	Summary
		conditions for extension. You must have been in compliance with the Development Agreement throughout the initial term. You must enter into an amendment which provides for a mutually agreeable development schedule, and under which you must pay to Franchisor a supplemental development fee equal to 1/2 of the then-current initial franchise fee payable by franchisees, multiplied by the number of new Restaurants to be developed during the extended term pursuant to the new development schedule.
d. Termination by franchisee	Not Applicable	FA, DA: As permitted by applicable law.
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with "cause"	FA: Section 18 DA: Sections 7.A. and 7.B.	FA, DA: We may terminate on your default.
g. "Cause" defined– curable defaults	FA: Section 18.C DA: Section 7.C.	FA: For any default except those specified as noncurable you have 30 days to cure (five days for failure to submit a required report or pay monies; 24 hours for misuse of the Marks; seven days if you fail to obtain the required insurance coverages; 10 days if you fail to comply with the noncompetition or non-solicitation covenants; 10 days if you fail to secure the required liquor license(s) by the date the Restaurant is ready and/or required to open for business; 10 days if you fail to comply with applicable laws relating to the sale of alcoholic beverages at the Restaurant which results in the suspension or prohibition of such sales for more than 30 consecutive days). DA: For any default except those specified as non-curable you have 30 days to cure unless a shorter cure period is specified (e.g., 5 days for failure to pay when due any monetary obligation; 24 hours if you misuse or make any unauthorized use of the Marks or otherwise materially impair the goodwill associated therewith; 10 days if you fail to comply with the noncompetition covenants).
h. "Cause" defined– non-curable defaults	FA: Sections 18.A. and 18.B.	FA: Insolvency; general assignment for benefit of creditors; bankruptcy; receivership; final judgment remains unsatisfied for 30 days or more; dissolution; execution of levy or sale after levy; foreclosure proceedings not dismissed within 30 days; operation of Restaurant at location that we have not accepted; failure to construct the Restaurant in accordance with

Provision	Section in Franchise Agreement	Summary
		requirements; failure to begin business within the required time period; abandonment or forfeiture of right to do business; conviction of certain crimes; threat to public health or safety; unauthorized transfer; failure to comply with certain confidentiality covenants; false records or submission of false reports; breach of any covenants or false representations; failure to comply with quality assurance program; default under any other franchise agreement and failure to cure; repeated defaults whether or not cured; assets, property or interests "blocked" under any terrorism laws or regulations or other violation of such laws or regulations. A provision in the Franchise Agreement which states that the agreement terminates upon your bankruptcy may not be enforceable under Title 11, USC Section 101. DA: Insolvency; general assignment for benefit of creditors; bankruptcy; receivership; final judgment remains unsatisfied for 30 days or more; dissolution; execution of levy or sale after levy; foreclosure proceedings not dismissed within 30 days; failure to comply with the Development Schedule; abandonment or forfeiture of right to do business; conviction of certain crimes; threat to public health or safety; unauthorized transfer; failure to comply with certain confidentiality covenants; false records or submission of false reports; breach of any covenants or false representations or material misstatements or omissions; default of any other franchise agreement; repeated defaults whether or not cured.
i. Franchisee's obligations on termination/nonrenewal	FA: Section 19 DA: Section 7.F.	FA: Stop operating your Restaurant and using the System's confidential methods, procedures, techniques and marks; cancel any registration containing the Marks; not use any imitation of the Marks; pay amounts due and our damages and enforcement costs; comply with confidentiality, non-competition and non-solicitation covenants; return all Manuals and other proprietary materials; furnish list of advertising/sales promotion materials bearing the Marks; at our option, sell or assign us your rights in business telephone numbers, advertising and promotional materials, furnishings equipment, and the premises; modify the appearance of the Restaurant. DA: Comply with confidentiality and

Provision	Section in Franchise Agreement	Summary
		noncompetition covenants; pay all sums owing to Franchisor; pay all damages, costs and expenses due to Franchisor. In lieu of termination of the DA, we may, to the fullest extent permitted by law, elect to exercise any one or more of the following remedies: (i) terminate or modify any territorial protections granted to Developer, (ii) reduce the size of the Territory, (iii) reduce the number of Brand Restaurants which Developer may establish pursuant to the Development Schedule; and (iv) terminate any then-existing Franchise Agreement.
j. Assignment of contract by franchisor	FA: Section 15.A. DA: Section 8.A.	FA, DA: We may transfer our rights without restriction.
k. "Transfer" by franchisee – definition	FA: Sections 15.B. and 15.C. DA: Section 8.B.	FA: You must not transfer any direct or indirect interest in you, the Franchise Agreement or the assets of the franchised business without our consent. DA: You must not transfer any direct or indirect interest in you, the Development Agreement or the business operated under the Development Agreement without our consent.
l. Franchisor approval of transfer by franchisee	FA: Section 15.B. DA: Section 8.B.	FA, DA: We must consent and you must meet conditions before transferring.
m. Conditions for franchisor approval of transfer	FA: Section 15.B. DA: Section 8.B.1	FA: Pay all amounts due; not be in default; sign a general release; pay transfer fee; remain liable for pre-transfer obligations. Transferee must meet our criteria, complete required training, guaranty obligations; enter into then-current franchise agreement and upgrade the Restaurant. DA: Pay all amounts due; not be in default; sign a general release; pay transfer fee; remain liable for pre-transfer obligations. Transferee and its principals, as applicable, must meet our criteria; enter into a written agreement assuming all obligations of yours; enter into standard form of Development Agreement then being offered; sign appropriate guaranty.
n. Franchisor's right of first refusal to acquire franchisee's business	FA: Section 15.D. DA: Section 8.D.	FA, DA: On 30 days written notice, we have the option to purchase an interest being transferred on the same terms and conditions offered by a third party.
o. Franchisor's option to	FA: Sections 19.A.(8) and	Upon termination or expiration we have the

Provision	Section in Franchise Agreement	Summary
purchase franchisee's business	(9) and 19.B.	option to purchase your advertising materials bearing the Marks at your cost. We have the option to acquire the Location and the assets of the Restaurant from you (subject to any rights of approval retained by the owner of the leasehold) at fair market value. If you own the land were the Restaurant is located, we have the option to lease the land (and any building on the land used for the operation of the Restaurant), at a reasonable commercial rent. We have the option to have the lease for the premises of the Restaurant assigned to us.
p. Death or disability of franchisee	FA: Section 15.E. DA: Section 8.E.	FA, DA: On death or permanent disability of you or an Owner the person's interest must be transferred to someone we approve within 6 months.
q. Non-competition covenants during the term of the franchise	FA: Section 11.C.(1) DA: Section 9.B.1	FA: You may not operate or have an interest in a business which is similar to a Restaurant. Without prior written permission, you may not solicit current or former employees of us, our affiliates or other franchisees. DA: You may not divert or attempt to divert any business or customer of the business to any competitor or do or perform any other act injurious or prejudicial to the goodwill associated with the Marks and the System. Except for other Brand Restaurants, you may not operate or have an interest in a business which is similar to a Restaurant, except for those in operation pursuant to valid Franchise Agreements.
r. Non-competition covenants after the franchise is terminated or expires	FA: Sections 11.C.(2) DA: Section 9.B.2	FA: For two years you may not divert any of your business or customers to a competitor or have an interest in any business that is similar to a Restaurant, within the Protected Area, or within a 20-mile radius of the location of any Restaurant then in existence or under construction. DA: For 2 years you may not divert any of your business or customers to a competitor or have an interest in any business that is similar to a Restaurant within the Territory, or within a 15-mile radius of any Restaurant then in existence or under construction.
s. Modification of the agreement	FA: Sections 11.A. and 20.O. DA: Section 12.B.	FA, DA: Except for changes we can make unilaterally, changes require mutual agreement. You must comply with the Manuals as amended.

Provision	Section in Franchise Agreement	Summary
t. Integration/merger clause	FA: Sections 20.O. and 20.Z DA: Section 12.B.	FA, DA: Only the terms of the Franchise Agreement and other related written agreements are binding (subject to state law). Any representations or promises made outside the disclosure document and franchise agreement may not be enforceable. No claim made in the Franchise Agreement is intended to disclaim the express representations made in this disclosure document.
u. Dispute resolution by arbitration or mediation	FA: Section 20.F. DA: Section 12.F and 12.G.	FA, DA: Except for actions we bring for monies owed, injunctive or other equitable relief, or relief relating to real property, claims, controversies or disputes from or relating to the Franchise Agreement or Development Agreement, as applicable, must be mediated in Irvine, California (subject to state law).
v. Choice of forum	FA: Sections 20.F. and 20.G. DA: Section 12.F and 12.G.	FA, DA: Except actions for monies owed, injunctive relief, or relief related to real property, the Marks or confidentiality information, mediation in Irvine, California (subject to state law). Venue for any other proceeding is the county in which our principal place of business is located (currently, Irvine, California) (subject to state law). In addition to the provisions noted in the chart above, the Franchise Agreement contains a number of provisions that may affect your legal rights, including a waiver of a right to a jury trial, waiver of punitive or exemplary damages, and limitations on when claims may be raised. See Franchise Agreement Sections 20.J., 20.K., and 20.L.
w. Choice of law	FA: Section 20.H. DA: Section 12.H.	FA, DA: The Franchise Agreement and Development Agreement is to be interpreted and construed under Michigan law, except for Michigan choice of law rules (subject to state law).

Item 18
PUBLIC FIGURES

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

Item 19

FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and 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 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 franchisor's Head, Business Development & Partner Relations, Mr. Hew Woong Yong, woongyong@paradisegroup.com.sg and 913-486-5105, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20
OUTLETS AND FRANCHISEE INFORMATION
Table 1
Systemwide Outlet Summary
For years ~~2021~~July 31, 2022 to ~~2023~~July 31, 2024[1]

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	~~2021~~2022	0	0	0
	~~2022~~2023	0	0	0
	~~2023~~2024	0	0	0
~~Company-Owned~~	~~2021~~	~~1~~	~~1~~	~~1~~
Company-Owned	2022	1	1	1
	2023	1	1	1
~~Total Outlets~~	~~2021~~2024	~~1~~0	~~1~~0	~~1~~0
Total Outlets	2022	1	1	1
	2023	1	1	1
	2024	0	0	0

Notes:

1. All numbers are as of our fiscal year end, which ends on July 31.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years ~~2021~~July 31, 2022 to ~~2023~~July 31, 2024[1]

Column 1 State	Column 2 Year	Column 3 Number of Transfers

All States	~~2021~~2022	0
	~~2022~~2023	0
	~~2023~~2024	0

Notes:

1. All numbers are as of our fiscal year end, which ends on July 31.

Table 3
Status of Franchised Outlets
For years ~~2021~~July 31, 2022 to ~~2023~~July 31, 2024(1)

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Termi-nations	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations – Other Reasons	Column 9 Outlets at End of the Year
~~State 1~~	~~2021~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
All States	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
~~State 2~~	~~2021~~2024	0	0	0	0	0	0	0
Totals	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
~~Totals~~	~~2021~~2024	0	0	0	0	0	0	0
	~~2022~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2023~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~

Notes:

1. All numbers are as of our fiscal year end, which ends on July 31.

Table 4
Status of Company-Owned Outlets
For years ~~2021~~July 31, 2022 to ~~2023~~July 31, 2024 (1)

Column 1 State	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired From Franchisee	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisee	Column 8 Outlets at End of the Year
Totals	~~2021~~2022	1	1	1	1	1	1
	~~2022~~2023	1	1	1	1	1	1
	~~2023~~2024	~~1~~0	~~1~~0	~~1~~0	~~1~~0	~~1~~0	~~1~~0

Notes:

1. All numbers are as of our fiscal year end, which ends on July 31.

Table 5
Projected Openings As Of July 31, ~~2023~~2024

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets In The Next Fiscal Year	Column 4 Projected New Company-Owned Outlets In the Next Fiscal Year
Totals	0	0	0

The name, business address, and business telephone number of each current franchisee on July 31, ~~2023~~2024, are listed on Exhibit G.

The name, city and state, and current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who has had a franchise agreement for a Restaurant terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year, or has not communicated with us within 10 weeks of the date of this disclosure document are listed on Exhibit G.

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

As of the date of this disclosure document, we are not offering any existing franchised outlets to prospective franchisees, including those that either have been reacquired by us or are still being operated by current franchisees pending a transfer. If we begin to offer any such outlet, specific information about the outlet will be provided to you in a separate supplement to this disclosure document.

As of the date of this disclosure document, we have no current or former franchisees who have signed provisions during the last three fiscal years restricting their ability to speak openly to you about their experience with the Restaurant franchise system.

As of the date of this disclosure document, there are no trademark-specific franchisee organizations associated with the franchise system being offered in this disclosure document.

Item 21
FINANCIAL STATEMENTS

Attached as Exhibit E is: (i) audited balance sheet, statements of operations, of stockholders equity, and of cash flow for the periods ended February 17, 2022 (Inception) to July 31, 2022, ~~and~~ August 1, 2022 to July 31, 2023, and August 1, 2023 to July 31, 2024; and (iii) unaudited balance sheet and profit and loss statements as of ~~February 29~~November 1, 2024. Our fiscal year ends on July 31.

Item 22
CONTRACTS

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

Exhibit C.	Franchise Agreement
Exhibit D.	Development Agreement

Item 23
RECEIPTS

Attached as the last two pages of this disclosure document are duplicate Receipts to be signed by you. Keep one for your records and return the other one to us.

EXHIBIT A

LIST OF ADMINISTRATORS

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

CALIFORNIA

Commissioner of the Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 900132344
866-275-2677

CONNECTICUT

Cynthia Antanaitis
Assistant Director
Securities and Business Investment Division
Connecticut Department of Banking
260 Constitution Plaza
Hartford, Connecticut 06103-1800
(860) 240-8230

FLORIDA

Florida Department of Agriculture &
2005 Apalachee Parkway
Tallahassee, Florida 32399

HAWAII

Business Registration Division
Department of Commerce
and Consumer Affairs
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

ILLINOIS

Chief, Franchise Bureau
Attorney General's Office
500 South Second Street
Springfield, Illinois 62706

INDIANA

Securities Commissioner
Indiana Securities Division
302 West Washington Street
Room E111
Indianapolis, Indiana 46204

MARYLAND

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2020

MICHIGAN

Michigan Attorney General's Office
Consumer Protection Division
Attn.: Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48913

MINNESOTA

Franchise Examiner
Minnesota Department of Commerce
85 7th Place East
Suite 280
Saint Paul, Minnesota 55101

NEBRASKA

Nebraska Department of
Banking and Finance
1526 K Street, Suite 300
Lincoln, Nebraska 68508

NEW YORK

Assistant Attorney General
NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, New York 10005

NORTH DAKOTA

Franchise Examiner
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol – 5th Floor
Bismarck, North Dakota 58505-0510

OREGON

Department of Consumer and
Business Services
Division of Finance and
Corporate Securities
Labor and Industries Building
Salem, Oregon 97301

RHODE ISLAND

Securities Division
Department of Business Regulation
1511 Pontiac Avenue
John O. Pastore Complex - Building 69-1
Cranston, Rhode Island 02920

SOUTH DAKOTA

Franchise Administrator
Department of Labor and Regulation
Division of Insurance
Securities Regulation
124 S Euclid, Suite 104
Pierre, South Dakota 57501

TEXAS

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

UTAH

Director
Division of Consumer Protection
Utah Department of Commerce
160 East 300 South
Salt Lake City, Utah 84111

VIRGINIA

State Corporation Commission
Division of Securities
and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219

WASHINGTON

Administrator
Department of Financial Institutions
Securities Division
150 Israel Rd. S.W.
Tumwater, Washington 98501

WISCONSIN

Franchise Administrator
Division of Securities
Department of Financial Institutions
302 West Washington Avenue, Suite 300
Madison, Wisconsin 5370

EXHIBIT B

LIST OF AGENTS FOR SERVICE OF PROCESS

We intend to register this Disclosure Document as a "franchise" in some or all of the following states, in accordance with the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states:

CALIFORNIA

Commissioner of California Financial Protection and Innovation
California Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344

CONNECTICUT

Banking Commissioner of State of Connecticut
Securities and Business Investment Division
Connecticut Department of Banking
260 Constitution Plaza
Hartford, Connecticut 06103-1800

HAWAII

Commissioner of Securities
Department of Commerce
and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

ILLINOIS

Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706

INDIANA

Secretary of State
201 State House
200 West Washington
Indianapolis, Indiana 46204

MARYLAND

Maryland Securities Commissioner
Maryland Division of Securities
200 St. Paul Place
Baltimore, Maryland 21202-2020

MICHIGAN

Michigan Department of Commerce,
Corporations and Securities Bureau
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48933

MINNESOTA

Commissioner of Commerce
85 7th Place East
Suite 280
Saint Paul, Minnesota 55101

NEW YORK

Secretary of State of
the State of New York
99 Washington Avenue
Albany, New York 12231

NORTH DAKOTA

Securities Commissioner
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol - 5th Floor
Bismarck, North Dakota 58505-0510

OREGON

Director
Department of Consumer and
Business Services
Division of Finance and
Corporate Securities
Labor and Industries Building
Salem, Oregon 97301

RHODE ISLAND

Director
Department of Business Regulation
1511 Pontiac Avenue
John O. Pastore Complex - Building 69-1
Cranston, Rhode Island 02920

SOUTH DAKOTA

Director
Department of Labor and Regulation
Insurance Division
Securities Regulation
124 S. Euclid, Suite 104
Pierre, South Dakota 57501

VIRGINIA

Clerk of the State
Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219

WASHINGTON

Director of Financial Institutions
Securities Division
150 Israel Rd. S.W.
Tumwater, Washington 98501

WISCONSIN

Commissioner of Securities
Wisconsin Securities Commission
201 West Washington Avenue, Suite 300
Madison, Wisconsin 53703

.

EXHIBIT C

FRANCHISE AGREEMENT

樂天皇朝

PARADISE DYNASTY

LEGEND OF XIAO LONG BAO

PARADISE FRANCHISING GROUP USA, LLC
FRANCHISE AGREEMENT

FRANCHISEE NAME

BRAND RESTAURANT ADDRESS

PARADISE FRANCHISING GROUP USA, LLC
FRANCHISE AGREEMENT

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EXHIBITS

SCHEDULE A Key Commercial Terms

Exhibit A Owners' Guaranty and Assumption Agreement
Exhibit B Confidentiality and Noncompetition / Nonsolicitation Agreement
Exhibit C Designed Area, Location, Protected Area, and Opening Date
Exhibit D Ownership and Management Information
Exhibit E Electronic Funds Transfer Authorization
Exhibit F Lease Addendum Terms

STATE AMENDMENTS

State-Specific Amendments To Franchise Agreement

FRANCHISE AGREEMENT

[LICENSED BRAND]

THIS FRANCHISE AGREEMENT ("**Agreement**") is made and entered into as of the **Effective Date** by and between **FRANCHISOR** ("**we**," "**us**," or "**our**"), and **FRANCHISEE** ("**you**" or "**your**"), all of which are specified in Schedule A.

RECITALS

We have the right to use and license the use of a business system ("**System**") (further defined below) for the establishment and operation of Brand Restaurants.

Brand Restaurants operate under the Licensed Brand, System and are identified by certain trade names, service marks, trademarks, logos, emblems, and indicia of origin ("**Marks**") (as further defined below).

You wish to obtain a franchise to establish and operate a Brand Restaurant using the Marks and the System at the Location (defined below) and specified in Exhibit C to this Agreement.

We are willing to grant you a franchise upon the terms and conditions set forth in this Agreement in reliance on your application and your representations made in the application and in this Agreement.

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

AGREEMENT

1. DEFINITIONS

"**Affiliate**" or "**Affiliates**" of a named person means any person or entity that is controlled by, controlling, or under common control with the named person.

"**Anti-Terrorism Laws**" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and any other requirements of any governmental authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

"**Advertising Fund**" or "**Fund**" means the advertising fund described in Section 9.D.

"**Brand Restaurant**" shall have the meaning given in Schedule A.

"**Business Day**" means any day other than Saturday, Sunday or the following national holidays: New Year's Day, Martin Luther King Day, Presidents' Day, Memorial Day, Juneteenth, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving and Christmas.

"**Competitive Business**" shall mean any restaurants or other business engaged in the sale of products and services, now or in the future, that are similar in material respects to those offered by Brand Restaurants (with reference to market segment, menu offering, target customer, consumer perception, etc.), as they evolve or change over time, including any Competitive Businesses set forth on Schedule A. A Competitive Business also includes any business acting as an area representative, franchise broker, business broker, or the like for Competitive Businesses. Restrictions contained in this Agreement on competitive activities do not apply to: (a) the ownership, operation, or franchising of Brand Restaurants by or pursuant to agreements with, or authorizations from us or our affiliates; or (b) the ownership of shares of a class of securities that are listed on a U.S. stock exchange or traded on the over-the-counter market and that represent less than 10% of that class of securities.

"**Computer System**" means the computer hardware and software (including, without limitation, point of sale (POS) software and systems) and all other peripheral equipment (including without limitation, remote stations, tablets, or other handheld devices) that we may designate from time to time for use in the operation of Brand Restaurants.

"**Confidential Information**" means all proprietary and confidential information relating to the establishment and operation of Brand Restaurants, including, without limitation: (i) our standards and specifications, including equipment, product, and supplier standards and specifications; (ii) site selection criteria; (iii) recipes; (iv) advertising and marketing plans and programs; (v) research, development and test programs for products, services and operations; (vi) the contents of our Manuals; (vii) knowledge of the operating and financial results of Brand Restaurants, other than your Brand Restaurant; (viii) computer programs and systems, including electronic data files and passwords, (ix) Improvements (as defined in Section 11.D.); and (x) customer communication and retention programs and data used or generated in connection with those programs.

"**Cooperative**" means an advertising cooperative, as described in Section 9.C.

"**Control**" or "**Controlling Interest**" means (a) if Franchisee is a corporation, that the Owners, either individually or cumulatively, (i) directly or indirectly own at least fifty-one percent (51%) of the shares of each class of Franchisee's issued and outstanding capital stock and (ii) be entitled, under its governing documents and under any agreements among the shareholders, to cast a sufficient number of votes to require such corporation to take or omit to take any action which such corporation is required to take or omit to take under this Agreement, or (b) if Franchisee is a partnership, that the Owners (i) own at least fifty-one percent (51%) interest in the operating profits and operating losses of the partnership as well as at least fifty-one percent (51%) ownership interest in the partnership (and at least fifty-one percent (51%) interest in the shares of each class of capital stock of any corporate general partner) and (ii) be entitled under its partnership agreement or applicable law to act on behalf of the partnership without the approval or consent of any other partner or be able to cast a sufficient number of votes to require the partnership to take or omit to take any action which the partnership is required to take or omit to take under this Agreement.

"**Designated Area**" means the non-exclusive geographic area assigned to you upon the execution of this Agreement and described on Exhibit C, excluding any Reserved Area (unless otherwise approved by us in writing), within which you will identify a location for the Brand Restaurant as described in Section 3.A.

"**Force Majeure**" means acts of God, strikes, lockouts, or other industrial disturbances, war, acts of terrorism, riot, epidemic, fire, or other catastrophe or other forces beyond a party's control.

"**Gross Sales**" means the total selling price of all services and products and all income of every other kind and nature related to the Brand Restaurant, whether for cash or credit, and regardless of collection in the case of credit, including, without limitation, revenue and other consideration generated from selling food, beverages, products, services, and merchandise (including delivery charges paid for deliveries made by the Brand Restaurant's employed staff), other types of revenue you receive, including the proceeds of business interruption insurance, and (if barter is permitted by us) the value of products, services, and merchandise bartered in exchange for the Brand Restaurant's products, services, or merchandise. The following are included within the definition of "Gross Sales" except as otherwise noted: (a) the full value of meals furnished to your employees as an incident to their employment, except that you may credit the value of any discounts you extend to your employees against Gross Sales during the month in which the meals were furnished to determine the amount of Gross Sales upon which fees calculated in respect of Gross Sales are due; (b) all proceeds from the sale of coupons, gift cards, gift certificates, or vouchers; provided, that when the coupons, gift cards, gift certificates, or vouchers are redeemed, you may credit their retail price against Gross Sales to determine the amount of Gross Sales upon which fees calculated in respect of Gross Sales are due; and (c) income related to catering operations and special events; and (d) reasonable entertainment expenses that you incur charged to the designated entertainment expenses account in the Brand Restaurant. If you do not record and report sales proceeds for royalty purposes when the coupon, gift card, gift certificate or voucher is sold, or if such coupons, gift card, gift certificates or vouchers are distributed free of charge, you will not be entitled to a credit against Gross Sales upon redemption of the coupon, gift card, gift certificate or voucher. Gross Sales are not reduced by the amount paid to, collected by, or shared with third-party food ordering and delivery systems with which we allow the Brand Restaurant to do business. All transactions must be entered into the Computer System at the full retail price for purposes of calculating Gross Sales. However, "Gross Sales" does not include (i) sales taxes you collect from customers of the Brand Restaurant, if the taxes are actually transmitted to the appropriate taxing authority; (ii) tips or gratuities paid directly to your employees by customers of the Brand Restaurant or paid to you and turned over by you to your employees in lieu of direct tips or gratuities; (iii) returns to shippers or manufacturers; and (iv) proceeds from isolated sales of trade fixtures not constituting any part of the products and services offered for sale at the Brand Restaurant or having any material effect upon the ongoing operation of the Brand Restaurant.

"**Gross Sales Report**" means the report in the form we require (which may include online reporting at our discretion) due on or before the tenth (10th) day of each calendar month during the Term, itemizing the daily Gross Sales of the Brand Restaurant for the preceding calendar month.

"**Key Restaurant Personnel** " means the main personnel, including the Chefs and Restaurant Managers, working in the Restaurant as identified on Schedule A.

"**Licensed Brand**" means the principal brand specified in Schedule A.

"**Location**" means the address of the premises at which the Brand Restaurant you operate pursuant to this Agreement is located, as listed in Exhibit C to this Agreement.

"**Manual**" or "**Manuals**" means our confidential operations manual, which may consist of one or more manuals, containing our mandatory and suggested standards, specifications, and operating procedures relating to the development and operation of Brand Restaurants and your obligations under this Agreement. The term also includes alternative or supplemental means of communicating information to you, including bulletins, video, audio tape, DVDs, computer software, CDs, USB data storage devices, and other electronic communications.

"**Marks**" means the trade names, trademarks, service marks, logos, emblems, and other indicia of origin that we have designated, and may hereafter designate, in writing for use in connection with the System, including, but not limited to, the Licensed Brand and related commercial symbols.

"**Opening Date**" means the date the Brand Restaurant opens for business to the public.

"**Other Brands**" mean other brands and/or franchise systems and/or trademarks (other than the System and the Marks) now or hereafter acquired or owned or licensed by any one or more of us or our Affiliates, regardless of whether they are competitive or not with the System. As of the Effective Date, our Other Brands include, but are not limited to, the brands listed in Schedule A.

"**Owners**" mean those persons and entities which, collectively and individually, hold an ownership interest in you and in any entity directly or indirectly controlling you.

"**Operating Principal**" means the person designated by you and approved by us as meeting our qualifications who is responsible for overseeing the day-to-day operation of your business.

"**Protected Area**" means the geographic area assigned to you upon the execution of this Agreement and described on Exhibit C, excluding any Reserved Area (unless otherwise approved by us in writing) and any territory or protected area of any other franchisee, within which you will be afforded the protections described in Section 2.B.

"**Reserved Area**" means any enclosed shopping center, amusement parks, theme parks, sports stadiums and arenas, airports, train stations, hospitals, schools, hotels, office buildings, and military bases.

"**Restaurant Managers**" means, collectively, the on-site managers of the Brand Restaurant, which shall include no fewer than one restaurant general manager, two assistant managers, and one kitchen manager.

"**Software Programs**" means the proprietary or other software programs we develop, acquire, or require for use by Brand Restaurants.

"**System**" means our comprehensive methods and procedures for the establishment, management, and operation of Brand Restaurants, including the Confidential Information, our Manuals, the Marks, and other business standards and policies, the distinguishing characteristics of which include, without limitation, distinctive exterior and interior design, décor, color scheme, and furnishings; special recipes and menu items; uniform standards, specifications, policies, and procedures for operations; quality and uniformity of the products and services offered; procedures for inventory, management and financial control; training and assistance; and advertising and promotional programs, all of which we may change, improve, further develop, or otherwise modify from time to time.

"**Taxes**" means any present or future taxes, levies, imposts, duties, or other charges of whatsoever nature, including any interest or penalties thereon, imposed by any government or political subdivision of such government on or relating to the operation of the Brand Restaurant or the franchisee entity, the payment of monies, or the exercise of rights granted pursuant to this Agreement, except taxes imposed on or measured by our net income.

2. GRANT

A. Grant of Rights. We hereby grant you the right, and you accept the obligation, to establish and operate a Brand Restaurant under the Marks and the System in accordance with this Agreement at the Location. This Agreement only grants you the right to operate the Brand Restaurant at the Location and to conduct permitted delivery and catering activities from the Brand Restaurant and within the Protected Area in accordance with the Agreement and our standards, using both employed delivery staff and third-party delivery services. We reserve the right to change our delivery and catering program and the area in which you may deliver or cater at any time. Those changes may include, among other things, limitations on where or how far from your Brand Restaurant you may deliver those products and requirements for using third-party delivery services. Under no circumstances may you delivery the Shop's products within another franchisee's protected area.

B. Protected Area. After your selection of, and our consent to the Location, we will assign to you a geographic Protected Area that includes the Location (but excludes any Reserved Area unless otherwise approved by us in writing). Except as provided in Section 2.C., and subject to your full compliance with this Agreement and any other agreement between you or your Affiliates and us or our Affiliates, neither we nor any of our Affiliates will, during the Term, establish, or authorize any person or entity other than you to establish, a Brand Restaurant in the Protected Area or deliver products prepared at a Brand Restaurant to customers in the Protected Area; provided that an acquisition by us or our Affiliates (or the acquisition of us by a third party) may result in converted Brand Restaurant operating in the Protected Area, and the operation of such converted Brand Restaurant in the Protected Area shall not be a breach of this Agreement by Franchisor.

C. Reserved Rights. The rights granted to you under this Agreement are nonexclusive, and we and our Affiliates have and retain all rights within and outside the Protected Area except those expressly granted to you. Accordingly, we, our Affiliates, and any other authorized person or entity will have the right, among others, (i) to operate, and license others to operate, Brand Restaurants at any location outside the Protected Area and in any Reserved Area, including locations that are adjacent to or surrounded by the Protected Area; (ii) within and outside the Protected Area, to develop and establish, and license others to operate, other business systems (including, Other Brands, and other systems that distribute products or services similar to those offered at Brand Restaurants) using other names or marks and to grant licenses to use those systems; (iii) to advertise and promote the System in the Protected Area; (iv) except for the restriction in Section 2.B. against the establishment of another Brand Restaurant in the Protected Area and delivery of products prepared at a Brand Restaurant to customers in the Protected Area, to engage, directly or indirectly, at wholesale, retail, or otherwise, in the production, distribution, license and sale of any and all food, beverages, or other services and products, under the Marks or under other names or marks (including, Other Brands), within and outside the Protected Area, through any other method of distribution, including, but not limited to, grocery stores, supermarkets, convenience stores, mail order catalogs, community or special events of any kind, and the Internet, regardless of the competitive impact on the Brand Restaurant; (v) to acquire the assets or ownership interests of one or more businesses offering and selling products and services similar to those offered and sold at Brand Restaurants (even if such a business operates, franchises, or licenses Competitive Businesses), and operate, franchise, license, or create similar arrangements for those businesses once acquired, wherever those businesses (or the franchisees or licensees of those businesses) are located or operating, including within the Protected Area; (vi) to be acquired (whether through acquisition of assets, ownership interests, or otherwise, regardless of the transaction form) by a business offering and selling products and services similar to those offered and sold at Brand Restaurants, or by another business, even if such business operates, franchises, or licenses Competitive Businesses inside or outside the Protected Area; and (vii) to engage in all other activities this Agreement does not expressly prohibit.

D. Waiver. You hereby waive any right you have, may have, or might in the future have, to oppose our exercise of our reserved rights in Section 2.C. and any claim for compensation from us as a result of our exercise of such rights.

E. No Subfranchise. Unless otherwise specifically approved by us in writing, you shall have no right under this Agreement to license others, directly or indirectly, to use in any manner the Licensed Brand, other Marks or the System.

3. SITE SELECTION, LOCATION, CONSTRUCTION, AND OPENING DATE

A. Designated Area. You assume all cost, liability, expense and responsibility for locating (including any costs and expenses associated with engaging our designated real estate broker), obtaining and developing a site for the Brand Restaurant within the Designated Area. You acknowledge and agree that the you acquire no rights in and to the Designated Area, other than the right to select a site for the Brand Restaurant from within its boundaries, and, without limitation of the foregoing, you have no exclusivity rights in the Designated Area. You further acknowledge and agree that the Designated Area excludes (i) any existing Protected Area of another Brand Restaurant franchisee within the Designated Area, (ii) any Protected Area of another Brand Restaurant franchisee which may be designated after the execution of this Agreement and is within the Designated Area and (iii) any Reserved Area. Following our consent to, and your acquisition of, the Location pursuant to this Section 3, this Agreement will be amended so that the Location is set forth in Exhibit C and the Designated Area will have no further force or effect.

B. Site Selection. You assume all cost, liability, expense and responsibility for selecting the Location in accordance with our site selection procedures. The selection of the Location and the performance of the related lease, construction and opening obligations are your sole responsibility. You will propose a site for the Brand Restaurant based on its own independent research and investigation; however, we must consent to the Location before you proceed with acquiring or leasing the Location or otherwise establishing the Brand Restaurant. Before acquiring a site for the Brand Restaurant, you shall submit to us, in the form specified by us, a description of the site, evidence satisfactory to us demonstrating that the site satisfies our site selection guidelines, and such other information and materials as we may reasonably require, including, but not limited to, copies of a proposed lease (which incorporates a rider in substantially the form attached hereto as Exhibit F) or a contract of sale for the site. Our approval of a lease does not mean that the economic terms of the lease are favorable to you; it means only that the lease contains the lease terms that we require.

D. Licenses; Permits. You are responsible for obtaining all zoning classifications and clearances which may be required by any laws, ordinances, regulations, or restrictive covenants relating to the construction and operation of the Brand Restaurant at the Location. Before beginning construction of the Brand Restaurant, you must (i) obtain all approvals, clearances, permits, licenses and certifications required for the lawful construction or remodeling and operation of the Brand Restaurant, and (ii) certify in writing to us that they have been obtained and that the insurance coverage specified in Section 13 is in full force and effect. Without limiting the generality of the foregoing, if we authorize or require the sale of alcoholic beverages at the Brand Restaurant at any time during the Term, you must obtain all required licenses and/or governmental approvals to offer and sell alcoholic beverages at the Brand Restaurant promptly thereafter and subsequently maintain all such alcoholic beverage licenses and/or governmental approvals. Failure to obtain and maintain such alcoholic beverage licenses and/or governmental approvals as required by this Section 3.D. shall constitute a material default under Section 18. At our request, you must provide to us copies of all such approvals, clearances, permits, licenses, and certifications.

E. Construction and Finish Out. You must obtain, at your expense, the architectural, engineering, design (including, kitchen design), construction, and other services necessary for the construction of the Brand Restaurant as required in this Agreement, or that we may otherwise require in accordance with the Manuals. We will provide you a set of prototype plans.

(1) Promptly after obtaining possession of the site for the Brand Restaurant, you must: (a) retain the services of an architect, a general contractor, and an audio/visual equipment provider and installer; (b) purchase or lease and then, in the construction of the Brand Restaurant, use only the approved building materials, equipment, fixtures, audio visual equipment, furniture, and signs; (c) complete the construction and/or remodeling, equipment, fixtures, furniture, and sign installation and decorating of the Brand Restaurant in full and strict compliance with plans and specifications we approve and all applicable ordinances, building codes, and permit requirements without any unauthorized alterations; (d) obtain all customary contractors' sworn statements and partial and final waivers and obtain all necessary permits, licenses, and architectural seals and comply with applicable legal requirements relating to the building, signs, equipment and premises, including, but not limited to, the Americans With Disabilities Amendments Act; and (e) obtain and maintain all required zoning changes, building, utility, health, sanitation, liquor, and sign permits and licenses and any other required permits and licenses. It is your responsibility to comply with the foregoing conditions.

(2) Without limiting the generality of this Section 3.E., you must adapt our prototypical architectural and design plans and specifications for a Brand Restaurant as necessary for the construction of the Brand Restaurant and must submit the adapted plans to us for review promptly after you acquire the Location. We will notify you of any objections to the plans. You acknowledge that our review of the plans is only for the purpose of determining compliance with System standards, and that our acceptance of the plans does not constitute a representation, warranty, or guarantee, express or implied, that the plans are accurate or free of error concerning their structural application. While we may specify certain approved architects, engineers, designers and other providers in connection with the Brand Restaurant, we are not responsible for architecture or engineering, or for code, zoning, or other requirements of the laws, ordinances or regulations of any federal, state, local, or municipal governmental body, including, without limitation, any requirement relating to accessibility by disabled persons or others, nor are we responsible for any errors, omissions, or discrepancies of any nature in the plans.

(3) You must promptly commence and diligently pursue construction of the Brand Restaurant. During construction, you must provide us with such periodic progress reports as we may reasonably request. In addition, we will make such on-site inspections as we may deem reasonably necessary to evaluate your progress, which may include virtual site visits. Within a reasonable time after

the date construction is completed, we will, at our option, conduct an inspection of the completed Brand Restaurant. You must not open the Brand Restaurant for business without our written authorization, which will be conditioned upon your strict compliance with this Agreement.

F. Opening Date. You must open the Brand Restaurant and commence business within 365 days after the execution of this Agreement, unless you obtain a written, 30-day extension from us, which we may or may not grant in our sole discretion. If you wish to acquire a 30-day Opening Date extension, you must submit your request to us in writing no later than 45 days before the Opening Date deadline. You must follow the same process for any additional extensions, which we may or may not grant, in our sole discretion. Notwithstanding the foregoing, you acknowledge that time is of the essence. Before the Opening Date, you must complete all exterior and interior preparations for the Brand Restaurant, including installation of equipment, fixtures, furnishings, and signs, pursuant to the plans and specifications we have approved, and must comply with all other pre-opening obligations. If you fail to comply with any of these obligations, we have the right to prohibit you from opening the Brand Restaurant. Your failure to open the Brand Restaurant in compliance with these provisions will be deemed a material event of default under this Agreement.

G. Relocation. You have been granted the right to operate a Brand Restaurant at the Location listed in Exhibit C to this Agreement. You must not relocate the Brand Restaurant without our express prior written consent. If you are unable to continue the operation of the Brand Restaurant at the Location because of the occurrence of an event of Force Majeure or for other reasons not constituting an event of default under this Agreement, you may request our consent to relocate the Brand Restaurant to another location in the Protected Area. If we grant you the right to relocate the Brand Restaurant, you must comply with such reasonable site selection and construction procedures as we may require and in connection with such relocation, you must conduct a grand opening promotion in accordance with Section 9.G. Prior to granting our consent to the Location (or your relocation of the Brand Restaurant in accordance with this Agreement), you must comply with the requirements set forth in Sections 3.C., D., and E. You may not use the Location (or relocation site) for any purpose other than for the operation of the Brand Restaurant during the Term.

4. TERM AND RENEWAL

A. Term. Unless sooner terminated as provided in this Agreement, the term of this Agreement ("**Term**") will begin on the Effective Date and will continue until the date set forth in Schedule A.

B. Renewal. You may, at your option, renew your rights under this Agreement for the number of additional terms set forth in Schedule A, subject to any or all of the following conditions which must, at our option, be met prior to and at the time of renewal:

(1) You must give us written notice of your election to renew not less than six months nor more than nine months before the end of the initial Term;

(2) You must refurbish, repair, or replace, at your expense, all equipment, Computer Systems, signs, interior and exterior décor items, fixtures, furnishings, supplies, and other items required for the operation of the Brand Restaurant as we may reasonably require and must otherwise upgrade the Brand Restaurant to reflect the then-current standards and image of the System. You acknowledge that such requirements may include extensive changes, and you shall commence such refurbishing, repair, replacement, and upgrades promptly upon notice from us (unless you elect not to renew your rights) and shall complete such requirements as expeditiously as possible, but in any event prior to the commencement of the renewal term;

(3) You must not be in default of this Agreement, neither you nor your Affiliates may be in default of any other agreement with us or any of our Affiliates; and you and your Affiliates shall have substantially and timely complied with the terms and conditions of such agreements during their respective terms;

(4) You must have timely satisfied all monetary obligations owed to us and our Affiliates under this Agreement and any other agreement between you or any of your Affiliates and us or any of our Affiliates;

(5) You must present evidence satisfactory to us that you have the right to remain in possession of the Location during the renewal term or obtain our consent to a new site for the Brand Restaurant;

(6) You must execute our then-current form of renewal franchise agreement, which will supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement, including, without limitation, a higher royalty fee and advertising contribution or expenditure requirement;

(7) You and your Owners must execute a general release of any and all claims against us, our Affiliates, and our and their respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees, past and present, in their corporate and individual capacities, including, without limitation, claims arising under this Agreement or under federal, state, or local laws, rules, regulations, or orders;

(8) You must comply with our then-current qualification and training requirements; and

(9) You must pay us, at least 30 days prior to the end of the expiring term, a renewal fee in an amount equal to the amount set forth in Schedule A.

5. FEES

A. Initial Franchise Fee. You must pay us an initial franchise fee in the amount set forth in Schedule A in connection with the execution of this Agreement.

B. Opening Fee. On or prior to the Opening Date, you must pay us an opening fee in the amount set forth in Schedule A in connection with the opening of the Brand Restaurant.

C. Royalty Fee. During the Term, you must pay us a continuing monthly royalty fee in the amount set forth in Schedule A. You must pay the royalty fee via electronic funds transfer, or any other means we reasonably specify. The royalty fee will be due by each fifteenth (15th) calendar day of the month during the Term. If the date on which a royalty payment would otherwise be due is not a Business Day, then payment shall be due on the next Business Day. For purposes of this Section 5.C., the Brand Restaurant's first month of operation shall begin on the Opening Date and shall end on the last calendar day of that month, and each subsequent month shall begin on first (1st) calendar day and conclude on the last calendar day of that month. On or before each tenth (10th) calendar day of the month during the Term, you must provide a Gross Sales Report to us.

D. Other Fees and Payments. In addition to the initial franchise fee, opening fee, monthly royalty, you must pay when due all other fees or amounts described in this Agreement and in any other agreement between you and us or our Affiliates.

E. Past Due Amounts; Acceptance and Application of Payments.

(1) Any payment not actually received by us on or before the due date will be deemed overdue. All unpaid obligations under this Agreement will bear interest from the date due until paid at the lesser of 18% per annum, or the maximum rate allowed by applicable law. No provision of this Agreement shall require the payment or permit the collection of interest in excess of the maximum rate allowed by applicable law. If for any reason interest in excess of the maximum rate allowed by applicable law shall be deemed charged, required or permitted, any such excess shall be applied as a payment to reduce any other amounts which may be due and owing hereunder, and if no such amounts are due and owing hereunder, then such excess shall be repaid to the party making the payment. You also must pay any late payment fees assessed by us, up to $200 for each delinquent report or payment that you

owe us under this Agreement.

(2) Our acceptance of any payments due subsequent to the due date shall not be deemed to be a waiver by us of any preceding breach by you or your Owners of any terms, provisions, covenants or conditions of this Agreement.

(3) We will have the right to apply any payment we receive from you to any amounts you owe us or our Affiliates under this Agreement or any other agreement, even if you have designated the payment for another purpose or account. We may accept any check or payment in any amount from you without prejudice to our right to recover the balance of the amount due or to pursue any other right or remedy. No endorsement or statement on any check or payment or in any letter accompanying any check or payment or elsewhere shall constitute or be considered as an accord or satisfaction.

(4) You have no right to withhold any payments due us on account of our breach or alleged breach of this Agreement and no right to offset any amount due us against any obligation that we may owe to you.

(5) Each payment to be made to us shall be made free and clear and without deduction for any Taxes.

F. Electronic Funds Transfer. You must execute Exhibit E to this Agreement and all other documents necessary to permit us to withdraw funds from your designated bank account by electronic funds transfer ("**EFT**") in the amount of the royalty fee, the Fund contribution (described in Section 9.D.), and any other amounts due under this Agreement at the time such amounts become due and payable under the terms of this Agreement. Any fee calculated by reference to Gross Sales will be based on the information we obtain pursuant to Section 8.G. or the Gross Sales Report, at our election. If we have not received the Gross Sales Report within the time period required by this Agreement, then we may process an EFT for the subject month based on the most recent Gross Sales information taken from your Computer System, or if such information is not taken from your Computer System, from the most recent Gross Sales Report provided to us by you; provided, that if a Gross Sales Report for the subject month is subsequently received and reflects (i) that the actual amount of the fee due was more than the amount of the EFT, then we will be entitled to withdraw additional funds through EFT from your designated bank account for the difference; or (ii) that the actual amount of the fee due was less than the amount of the EFT, then we will credit the excess amount to the payment of your future obligations. Notwithstanding the foregoing, if you submit a Gross Sales Report that reflects an amount that is different from the Gross Sales information we have taken from your Computer System, then the higher amount of the two reports will be used. Should your bank fail to honor any EFT for any reason, you will make such payment and pay any related service charge. If any payments are not received when due, interest may be charged in accordance with Section 5.E. Upon written notice to you, we may designate another method of payment.

G. Standby Letter of Credit.

(1) As security for the performance of your obligations hereunder, you must at your sole expense, obtain, deliver to us and maintain throughout the term of this Agreement one (1) or more standby letters of credit issued in favor of us by a bank approved by us with an aggregate amount available for drawing thereunder equal to the amount specified in Schedule A, and otherwise on terms and conditions acceptable to us (each a "**Letter of Credit**"). Upon our request in our sole judgment, you must, at your sole expense, cause the Letters of Credit to be confirmed by a bank selected or approved by us. Any changes to the Letter of Credit terms (including, the amount specified in Schedule A) will require prior written our approval.

(2) At the time of issuance, each Letter of Credit shall (a) to the extent permitted under applicable law, contain an annual automatic renewal provision (with each renewal being for an additional one (1)-year period), unless expressly canceled no later than one hundred twenty (120) days prior to the expiration date of such Letter of Credit; and (b) not expire (without renewal) prior to the date

that is forty-five (45) days following the termination or expiration of this Agreement. Any proposed cancellation (or termination) of any Letter of Credit will require our approval prior to you requesting any cancellation (or termination) from the issuing bank of such Letter of Credit.

(3) The parties agree that in certain cases, your failure to comply with your respective obligations may cause immediate and substantial damage to our interests, the Licensed Brand Owner, or their Affiliates, in this Agreement. To compensate us for such damage, we and you have agreed that we shall be entitled, but not obligated, to draw on the Letters of Credit (or any one of them in whole or in part) as and to the extent provided below in the event of the occurrence of any of the following events (each an "**LC Trigger Event**"): (i) our failure to receive any amount required to be paid by you under this Agreement within ten (10) days after the date such payment is due, in which event we will be entitled to draw an aggregate amount under the Letters of Credit equal to the amount of such overdue payment, plus interest as provided in this Agreement; (ii) your failure to comply with any final judgment or award pursuant to this Agreement in accordance with the terms thereof, in which event we shall be entitled to draw an aggregate amount under the Letters of Credit equal to (i) the amount of such award, if a monetary award; or (ii) the aggregate amount available under all Letters of Credit, if a non-monetary award; (iii) the failure by you (x) to cause any Letter of Credit to be reissued in accordance with this Section regardless of any prior draw thereunder no later than sixty (60) days prior to the stated expiration date of such Letter of Credit; or (y) to restore the aggregate amount available under all Letters of Credit to the amount specified in Schedule A within thirty (30) days following any draw under any such Letter of Credit, in which event the Franchisor shall be entitled to draw the aggregate amount available under all Letters of Credit.

(4) Our certification to the issuing bank or confirming bank that any of the LC Trigger Events has occurred shall be conclusive and binding on the applicable issuing bank or confirming bank as evidence of our entitlement to draw on such Letter of Credit. No draw by us under any Letter of Credit shall (a) constitute an admission by us of the occurrence or continuance of any material breach of this Agreement, the amount of damage incurred by us as a result of the occurrence of any of the foregoing events, or a waiver of any other right or remedy to which we may be entitled under this Agreement or applicable law; or (b) impair in any respect whatsoever our rights to require you to comply with your respective obligations under Section 16 on any termination of this Agreement (other than any payment obligations satisfied by a draw on any Letter of Credit).

(5) If this Agreement is transferred by us, you must, within fifteen (15) days after our notice, cause the issuing bank and (if applicable) confirming bank approved by us to reissue the Letter of Credit with the transferee as the beneficiary in accordance with this Agreement.

6. OUR OBLIGATIONS

We will provide the following services or cause them to be provided to you:

A. Site Selection Assistance. Our written site selection guidelines and such site selection assistance as we deem advisable.

B. On-Site Selection Evaluation. Such on-site evaluation as we may deem necessary or in response to your reasonable request for site selection assistance; provided, that we shall not provide an on-site evaluation for any proposed site prior to receiving all required information and materials prepared and submitted pursuant to Section 2.B., and, in our discretion, prior to receiving such information for multiple proposed sites. We may require you to pay us a reasonable fee for performing each site evaluation and to pay or reimburse us for the amount of the reasonable expenses, including, without limitation, the cost of travel, lodging, and meals, incurred by us in conducting any on-site evaluation.

C. Manuals. Access to one set of the Manuals in electronic or paper format.

D. Training. An initial training program for your Operating Principal and Key Restaurant Personnel, and additional training programs in accordance with Section 8.A. Upon your reasonable request, or if we determine it to be necessary during the Term, on-site remedial training; provided that remedial training will be conducted subject to the availability of our personnel, and provided further, that we may require you to pay the per diem fee we are then charging for on-site remedial training, and pay or reimburse us for the expenses incurred by our representatives, including the costs of travel, lodging, and meals.

E. Opening Assistance. Such on-site pre-opening and opening assistance as we reasonably deem necessary. You do not have the option to decline the opening assistance described in this Section 8.E. You must reimburse us for all travel-related expenses incurred in connection with all on-site assistance, including, without limitation, the cost of travel, lodging, meals, and wages.

F. Software Programs. For a reasonable fee, any Software Programs that we acquire, require, or develop for use in the System; provided, that we are under no obligation to develop or acquire such Software Programs.

G. Inspections. Inspections of your Brand Restaurant and evaluations of the products sold and services offered and sold at and from your Brand Restaurant from time to time as reasonably determined by us. Our evaluations and inspections may include a "mystery shopper" program from time to time throughout the Term. You must comply with our mystery shopper program requirements, which include paying for the mystery shopper's receipt of items purchased at your Brand Restaurant. If you fail an evaluation by us or by a mystery shopper, or if we receive a specific customer complaint, we reserve the right, in our sole discretion, to conduct additional mystery shop visits, and you must pay our then-current fee for the mystery shopper we send to your Brand Restaurant, plus the amount of the receipt paid by the mystery shopper for the items purchased at your Brand Restaurant.

H. Advertising. Administration of an advertising fund in accordance with Section 9. We may also provide to you, at a reasonable cost, any advertising and promotional materials we may develop from time to time for use in marketing and promoting Brand Restaurants.

I. Operational Advice. Advice and written materials concerning techniques for managing and operating Brand Restaurants, including new developments and improvements in the System.

J. Collateral Merchandise; Equipment; Décor Items. From time to time in our discretion and at a reasonable cost, certain merchandise identifying the System, such as caps, t-shirts, and other System memorabilia, and/or certain equipment, décor items, or other products and services.

K. Approved Suppliers. From time to time, as we deem appropriate, a list of approved suppliers.

7. YOUR REPRESENTATIONS, WARRANTIES AND COVENANTS

A. Your Investigation of this Franchise.

(1) You acknowledge having received our franchise disclosure document required by the Federal Trade Commission's Franchise Trade Regulation Rule (16 C.F.R. Part 436) within the time period required by applicable law before you executed this Agreement or paid any consideration to us. You further acknowledge that you have read this Agreement and our franchise disclosure document and that you understand the terms of this Agreement and accept them as being reasonably necessary for us to maintain the uniformity of Brand Restaurants and to protect the goodwill of the Marks and the integrity of the System.

(2) You have conducted an independent investigation of the business contemplated by this Agreement and recognize that an investment in a Brand Restaurant involves business risks; that your success is largely dependent on your own abilities and efforts; and that the nature of Brand Restaurants may change over time. You have not received or relied on any guaranty or assurance, express or implied, as to the revenues, profits, or success of the business contemplated by this Agreement.

(3) You understand and agree that we may operate and change the System and our

business in any manner that is not expressly and specifically prohibited by this Agreement.

(4) Whenever we have expressly reserved in this Agreement, 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 withhold an action, then except as otherwise expressly and specifically provided in this Agreement, we may make our decision or exercise our right and/or discretion on the basis of our judgment of what is in our best interests, including, without limitation, our judgment of what is in the best interests of our franchise network, at the time our decision is made or our right or discretion is exercised, without regard to whether: (i) other reasonable alternative decisions or actions could have been made by us; (ii) our decision or the action we take promotes 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, we and you agree that such covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms 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.

(5) You acknowledge that you are relying solely on Franchisor, and not on any affiliated entities or parent companies related to us, with regard to our financial and other obligations under this Agreement, and no employee or other person speaking on behalf of, or otherwise representing, us has made any statement or promise to the effect that our affiliated entities or parent companies guarantee our performance or financially back us.

B. Your Organization. If you are a corporation, partnership, limited liability company, or other legal entity:

(1) You are duly organized and validly existing under the laws of the state of your formation;

(2) You are duly qualified and authorized to do business in each jurisdiction in which your business activities or the nature of the properties you own require such qualification;

(3) Your corporate charter or written partnership or limited liability company agreement, as applicable, will at all times provide that your activities are confined exclusively to the operation of Brand Restaurants. You warrant and represent that neither you nor any of your Affiliates or Owners own, operate or have any financial or beneficial interest in any Competitive Business;

(4) The execution of this Agreement and the performance of the transactions contemplated by this Agreement are within your corporate power, or if you are a partnership or a limited liability company, are permitted under your written partnership or limited liability company agreement and have been duly authorized; and

(5) You have provided to us prior to the execution of this Agreement, and will from time to time during the Term, at our request, provide to us copies of your articles of incorporation and bylaws or, as applicable, your written partnership or limited liability company agreement, other governing documents, any amendments to them, resolutions authorizing your entry into and performance of this Agreement, and any certificates, buy-sell agreements, or other documents restricting the sale or transfer of your stock or other ownership interests and any other documents that we may reasonably request.

C. Your Owners.

(1) If you are a corporation, partnership, limited liability company, or other legal entity, the ownership interests in you are accurately and completely described in Exhibit D. You will maintain at all times a current list of all of your Owners and make your list of Owners available to us

upon request.

(2) If you are a corporation, you must maintain stop-transfer instructions against the transfer on your records of any of your equity securities and conspicuously endorse each stock certificate with a statement, in a form satisfactory to us, that it is held subject to all restrictions imposed upon assignments by this Agreement. If you are a partnership or limited liability company, your written partnership or limited liability company agreement shall provide that ownership of an interest in the partnership or limited liability company is held subject to all restrictions imposed upon assignments by this Agreement.

(3) You will cause each of your Owners to execute the Guaranty and Assumption Agreement attached as Exhibit A to this Agreement, jointly and severally guarantying your performance under this Agreement and otherwise binding themselves to the terms of this Agreement, as stated therein.

D. Your Financial Covenants.

(1) You have provided to us your most recent financial statements. These financial statements present fairly your financial position at the dates indicated therein and the results of your operations and cash flow for the years then ended. Each of the financial statements are certified as true and correct and have been prepared in conformity with generally accepted accounting principles and, except as expressly described in the applicable notes, applied on a consistent basis. There are no material liabilities, adverse claims, commitments, or obligations of any nature, whether accrued, unliquidated, absolute, contingent, or otherwise, which are not reflected as liabilities on the financial statements.

(2) At our request, you must provide us with any and all loan or other documents regarding the financing of the Brand Restaurant.

(3) You will maintain at all times during the Term sufficient working capital to fulfill your obligations under this Agreement.

E. Your Management.

(1) You must designate upon the execution of this Agreement, and retain at all times during the Term, an individual to serve as your Operating Principal. The Operating Principal is not required to have any ownership in you, must meet our qualifications, must be approved by us, and must sign the Confidentiality and Noncompetition/Nonsolicitation Agreement, Exhibit B hereto. The Operating Principal for all Brand Restaurants operated by you and, if applicable, your Affiliates must be the same person. Your Operating Principal must devote full time and best efforts to the supervision of the Brand Restaurants operated by you and your Affiliates. Your Operating Principal must be empowered with full authority to act for you.

(2) You will designate not later than 90 days before the Opening Date and retain at all times during the Term the required number of Key Restaurant Personnel. The Key Restaurant Personnel shall meet our qualifications and shall devote full time and best efforts to the day-to-day operation and management of the Brand Restaurant.

(3) The names of all of your Owners and your Operating Principal and Key Restaurant Personnel shall be listed in Exhibit D to this Agreement, and you will keep such information current at all times during the Term. You must promptly notify us in writing if your Operating Principal or Key Restaurant Personnel cannot continue or no longer qualifies to serve in that capacity and must take corrective action within 30 days after any such notice. During such 30-day period, you must provide for interim management of your operations in accordance with this Agreement. Any failure to comply with this Section 7.E. will be a material breach of this Agreement.

(4) You and your Operating Principal must attend, at your own expense, the annual meeting, convention, or conference of franchisees and all meetings relating to new, or changes in, System procedures, programs, training, promotional programs, and/or similar topics.

F. Legal Compliance. In addition to complying with your obligations under this Agreement, you must comply with all applicable federal, state and local laws, rules, regulations, ordinances, and orders. Such laws, rules, regulations, ordinances, and orders vary from jurisdiction to jurisdiction and may be amended or implemented or interpreted in a different manner from time to time. It is your sole responsibility to apprise yourself of the existence and requirements of all such laws, rules, regulations, ordinances, and orders and to adhere to them at all times during the Term. In addition to, and without limiting the foregoing, you certify that neither you nor any of your Owners, employees, or anyone associated with you is listed in connection with any Anti-Terrorism Law, and you agree not to hire or have any dealings with a person so listed. You further certify that you have no knowledge or information that, if generally known, would result in you, your Owners, employees, or anyone associated with you being so listed. You will comply with and/or assist us to the fullest extent possible in our efforts to comply with the Anti-Terrorism Laws and, in connection with such compliance, you represent and warrant that none of your property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that you and your Owners are not otherwise in violation of any of the Anti-Terrorism Laws.

G. Powers of Attorney. You hereby appoint us as your true and lawful attorney-in-fact, with full power and authority (i) to assign to us upon the termination or expiration of this Agreement (a) all rights to the telephone numbers of the Brand Restaurant, any related Internet listings, and all rights to any website listings or services, search engines or systems, and any other business listings related to the Brand Restaurant and (b) at our option, your interest in any lease for the Location and any equipment used in the operation of the Brand Restaurant; and (ii) to obtain any and all returns and reports related to the Brand Restaurant that you file with any local, state, or federal taxing authority. Such powers of attorney shall survive the expiration or termination of this Agreement, and you will execute such forms and documents as we deem necessary to appoint us your true and lawful attorney in fact with full power and authority for the foregoing purposes.

H. Continuing Obligations. You and your Owners make the foregoing representations, warranties, and covenants understanding that such representations, warranties, and covenants are continuing obligations. You will cooperate with us to verify your and your Owners' continuing compliance with such representations, warranties, and covenants. Any failure to comply with these representations, warranties, and covenants will constitute a material event of default under this Agreement.

8. RESTAURANT OPERATIONS

A. Training. Your Operating Principal and such other persons we may designate in the Manuals (e.g., Key Restaurant Personnel), must successfully complete our management training program at least 45 days before the Opening Date. Any successor or replacement Operating Principal, Key Restaurant Personnel, or Owner must successfully complete our applicable training program within a reasonable time after such persons are designated. These persons, and any of your other personnel whom we may designate, must attend and complete any additional training that we may from time to time require. Training shall be conducted at locations we designate. Initial training for the individuals that we designate in the Manuals or otherwise (which may include your Owners, Operating Principal, and Key Restaurant Personnel) is provided at no additional charge; however, we reserve the right to charge our then-current fee for training successor or replacement personnel and for any additional training programs. Initial training will last for the time we specify and focuses on our philosophy, standards, the material aspects of operating a Brand Restaurant (e.g., kitchen, operations, business development, learning and development, etc.), excluding aspects relating to labor relations and employment practices. You are responsible for any and all expenses incurred in connection with any initial or additional training, including, without limitation, the costs of travel, lodging, meals, and wages incurred by you, your Owners, and your personnel. If Owner, Operating Principal, or Key Restaurant Personnel fails, in our sole judgment, to satisfactorily complete our required training programs, such failure will be a default of this Agreement, and if you fail to cure such default within 90 days following written notice from us, we may terminate this Agreement.

B. Standards Compliance. You acknowledge the importance of maintaining uniformity among all of the Brand Restaurants and the importance of complying with all of our standards and specifications relating to the operation of the Brand Restaurants. To protect the reputation and goodwill of the System and to maintain high standards of operation under the Marks, you must conduct your business in accordance with the Manuals, other written directives which we may issue to you from time to time, and any other manuals and materials created or approved for use in the operation of Brand Restaurants. You further acknowledge that we may modify the System, the Manuals, and the products and services offered at the Brand Restaurant from time to time, and you must comply, at your expense, with all such modifications. Further, we reserve the right to materially vary our standards or franchise agreement terms for any franchisee depending on the circumstances, including but not limited to, timing of the grant of the franchise, trade area/market variables, local business practices, population, or any other condition which we consider important to the operation of Brand Restaurants. You have no right to require that we disclose to you any variation or to grant the same or a similar variation to you.

C. Maintenance of Brand Restaurant. You must maintain the Brand Restaurant in a high degree of sanitation and repair, and make such additions, alterations, repairs, and replacements as may be required for that purpose, including, without limitation, such periodic repainting or replacement of signs, furnishings, décor, and equipment (including, but not limited to, point of sale or Computer Systems) as we may reasonably direct. You also must obtain, at your expense, any new or additional equipment, fixtures, supplies, and other products and materials which we may require, and you must offer and sell new services or products from the Brand Restaurant or provide such services or products by any alternative means we require or approve. No alterations, improvements, or changes of any kind in design, equipment, signs, interior or exterior décor items, fixtures, or furnishings shall be made in or about the Brand Restaurant without our prior written approval.

D. Upgrade of Brand Restaurant. At our request, you must make improvements to the Brand Restaurant to conform it to our then-current standards and specifications. Without limiting the foregoing, you agree that, if we request, you will make any capital improvements required by this Section 8.D. on or after the fifth anniversary of the Opening Date, or at such other time during the Term that a majority of the Brand Restaurants then operated by us or our Affiliates have made or are utilizing reasonable efforts to make such improvements.

E. Sourcing.

(1) You must comply with all of our standards and specifications for the purchase of all food and beverage items, ingredients, supplies, materials, fixtures, furnishings, equipment, Computer Systems, entertainment providers, media outlets, and other products used or offered for sale at the Brand Restaurant. If we have approved or designated suppliers for any such item (including manufacturers, distributors and other sources), you must obtain these items from those suppliers. These specifications may include brand requirements. If brand requirements have been identified, you may purchase and use only approved brands. Our approved or designated suppliers are those who demonstrate the ability to meet our then-current standards and specifications, who have adequate quality controls, and who have been approved in writing by us and who have not thereafter been disapproved by us. You acknowledge and agree that (a) we may change the number of approved suppliers at any time or approve or disapprove any suppliers at any time, and may designate ourselves, an Affiliate, or a third party as the exclusive source for any particular item; and (b) we may profit from your purchases from designated or approved suppliers, and we and/or our Affiliates may receive payments, fees, commissions or reimbursements from such suppliers in respect of your purchases (including, without limitation, for products and services we or our Affiliates provide to you and by suppliers that we designate or approve for some or all of our franchisees). At our discretion, we may refund such amounts to you, contribute such amounts to the Advertising Fund, or retain such amounts for our own use in our discretion, notwithstanding any designation by the supplier or otherwise. Contribution of any such rebates or credits to the Advertising

Fund shall not reduce your obligation to make the contributions to the Advertising Fund provided for in this Agreement.

(2) If you wish to use any item or service that we have not yet evaluated or (for items that we require you to purchase from designated or approved suppliers) if you wish to purchase or lease any such item from a supplier that we has not yet approved, you must submit a written request for approval to us. You cannot purchase or lease any such item unless the supplier has been approved in writing by us. We are not required to approve any particular supplier. We will have the right to require you to submit information, specifications, and samples to us to enable us to determine whether the item complies with our standards and specifications and that the supplier meets our criteria. We also have the right to send our representatives to inspect the supplier's facilities and to have samples from the supplier be delivered to us or to an independent laboratory designated by us for testing. You or the proposed supplier may be required to pay for the cost of the inspection and of the test (including our administrative expenses). We may condition our approval of a supplier on requirements relating to product quality, prices, consistency, reliability, financial capability, labor relations, client relations, frequency of delivery, concentration of purchases, standards of service (including prompt attention to complaints), or other criteria. We will notify you within 60 days of your request as to whether you may purchase products from the proposed supplier. We reserve the right to re-inspect from time to time the facilities and products of any approved supplier and to revoke our approval of the supplier if the supplier fails to continue to meet any of our criteria. If we revoke our approval of any supplier, you must promptly discontinue use of that supplier. Your failure to comply with the provisions of this Section 8.E. shall be deemed a material breach under this Agreement.

F. Operational Requirements. You must operate the Brand Restaurant in full conformity with our methods, standards, and specifications as set forth in the Manuals and as from time to time otherwise prescribed in writing. Without limitation of the foregoing, you will:

(1) Sell or offer for sale all menu items, products, and services we require using the method and manner of distribution we prescribe. Distribution methods may include, but are not limited to, dine-in, carry-out, and catering services and must be expressly authorized by us in writing in the Manuals or otherwise;

(2) Sell and offer for sale only the menu items, products (including, without limitation, liquor, beer, and wine), and services that we have expressly approved for sale in writing; discontinue selling and offering for sale any menu items, products, or services and any method or manner of distribution which we may disapprove in writing at any time;

(3) Maintain in sufficient supply and to use and sell at all times only those food and beverage items, ingredients, products, materials, and supplies that conform to our standards and specifications; prepare all menu items in accordance with our recipes and procedures for preparation, use the brand and/or type of ingredients we require and the prescribed measurements of ingredients; and refrain from deviating from our standards and specifications by using or offering non-conforming items or differing amounts of any items or otherwise, without our prior written consent;

(4) Permit us or our agents, at any reasonable time, to remove samples of food or non-food items from the Brand Restaurant, without payment, in amounts reasonably necessary for testing to determine whether such samples meet our then-current 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 previously been approved by us or if the sample fails to conform to our specifications;

(5) Purchase or lease and install, at your expense, all fixtures, furnishings, equipment, Computer Systems, décor items, signs, and related items that we may reasonably direct from time to time; and refrain from installing or permitting to be installed in or about the Brand Restaurant, without our prior written consent, any fixtures, furnishings, equipment, décor items, signs, vending machines gaming devices (if permitted by applicable law and expressly authorized by us), other machines

or devices, or other items not previously approved as meeting our standards and specifications;

(6) Grant us and our agents the right to enter the Brand Restaurant at any time to conduct inspections; cooperate with our representatives conducting the inspections by rendering such assistance as they may reasonably request; and, upon notice from us or our agents (and without limiting our other rights under this Agreement), take any and all steps that may be necessary to correct promptly any deficiencies detected during an inspection. If you fail for any reason to correct such deficiencies within a reasonable time, as determined by us, we will have the right and authority (but no obligation) to correct the deficiencies, for the purpose of maintaining brand standards, and to charge you a reasonable fee, payable on demand, for our expenses in taking the corrective action (including, without limitation, any necessary re-inspection);

(7) Employ a sufficient number of competent and trained employees to ensure efficient service to your customers. You must require all your employees to wear at all times while in attendance at the Brand Restaurant clean uniforms conforming to such specifications as to color, design, fabric, etc. as we may designate from time to time, which uniforms shall be furnished at your cost or the employees' cost as you may determine. You must also require all of your employees to present a clean, neat appearance and render competent and courteous service to customers, as may be further detailed in the Manual. No employee of yours will be deemed to be an employee of ours for any purpose whatsoever, and all of your employment practices must be in accordance with all applicable federal and state laws;

(8) Without limiting anything to the contrary, employ a sufficient number of Key Restaurant Personnel as identified in Schedule A; and

(9) Keep the Brand Restaurant open and in operation for the days and hours that we may from time to time prescribe.

(10) Accept debit cards, credit cards, Brand Restaurant value cards, or other non-cash systems that we require and participate in our required payment procedures and collection of funds relating thereto. You further agree to acquire and install all necessary hardware and/or software used in connection with these non-cash systems. You acknowledge and agree that protection of customer privacy and credit card information is necessary to protect the goodwill of businesses operating under the Marks and System. Accordingly, you agree that you shall cause the Brand Restaurant to meet or exceed, at all times, all applicable security standards developed by the Payment Card Industry Data Security Standards ("**PCI DSS**") council or its successor and other regulations and industry standards applicable to the protection of customer privacy and credit card information, including but not limited to the Fair and Accurate Credit Transaction Act ("**FACTA**"), and all other data security requirements we prescribe. You are solely responsible for educating yourself as to these regulations and standards and for achieving and maintaining applicable compliance certifications. You shall defend, indemnify, and hold us harmless from and against all claims arising out of or related to your violation of the provisions of this Section 8.F.(10).

G. Computer Systems. You must use the Computer System that we specify from time to time for use in the operation of the Brand Restaurant. You acknowledge that we may modify the specifications and the components of any such Computer System from time to time. As part of the Computer System, we may require you to obtain specified computer hardware and/or software, including, without limitation, a license to use Software Programs developed by us or others. Specifically, but without limiting the generality of the foregoing, we may require that you install and maintain systems that permit us to access and retrieve electronically any information stored in the Computer System, including information concerning your Brand Restaurant's Gross Sales, at the times and in the manner that we may specify periodically. You acknowledge that we may, during the Term, require you to modify, enhance, and/or replace all or any part of the computer hardware and software comprising the Computer System at your expense. Any such modifications, enhancements, and replacements to the Computer System may require you to incur costs to purchase, lease, and/or license new or modified computer hardware and/or software and to obtain service and support for the Computer System during the Term. You acknowledge that we cannot estimate the future costs of the Computer System (or additions or modifications thereto) and that the cost to you of obtaining the Computer System (including software licenses) or additions or modification thereto may not be fully amortizable over the remaining Term. Nonetheless, you agree to incur such costs. Within 60 days after you receive notice from us, you must obtain the components of the Computer System that we require. You further acknowledge and agree that you will pay us, our affiliate, or a third party a reasonable fee for any software or systems modifications and enhancements specifically made for us that are licensed to you or for any Software Programs and other maintenance and support services that we or our Affiliate may furnish to you.

H. Customer Complaints and Crisis Management.

(1) You must process and handle all consumer complaints connected with or relating to the Brand Restaurant and promptly notify us of all food related illnesses, safety or health violations, claims exceeding $1,000, and any other material claims against or losses suffered by you. You must also maintain any communications with governmental authorities affecting the Brand Restaurant during the Term and for one year after the expiration or earlier termination hereof.

(2) Upon the occurrence of a Crisis Management Event, you must immediately inform us by telephone, or as set forth in this Agreement, of such event and cooperate fully with us and with the appropriate authorities with respect to the investigation of the Crisis Management Event. In an effort to mitigate possible damages to the Marks and System, you must cooperate fully with us with respect to managing statements and other responses to the Crisis Management Event. "**Crisis Management Event**" means any event that occurs at or about the Brand Restaurant premises or in connection with the operation of the franchisee entity that has or may cause harm or injury to customers or employees, such as food contamination, food spoilage/poisoning, food tampering/sabotage, contagious diseases, natural disasters, terrorist acts, shootings or other acts of violence, data breaches, real or threatened, or any other circumstance which may materially and adversely affect the System or the goodwill symbolized by the Marks.

I. Internet; Website; Email. You must install and maintain all hardware and software needed to access the Internet at the bit speed we require from time to time. You must not establish or participate in any Website or other listing on the Internet except as provided herein.

(1) Without our prior written approval, which we may give or withhold in our sole discretion, you must not develop, create, generate, own, or otherwise use any computer and/or electronic media (including but not limited to the Internet, bulletin boards, news groups, or social media) in connection with the Brand Restaurant. If we grant our approval for your use of an Internet website, you acknowledge that the form, content, and appearance of any Internet Website you use must comply with the System standards and must be approved by us in writing before being used. Accordingly, you agree that you have no authority to, and you will not, establish or participate in any Website that creates any association with the Marks or the System, or post any advertisements or material on the Internet that depict or display the Marks or suggest an association with the System, without our express prior written consent, which we may withhold in our sole discretion. Without limitation of the foregoing, if we require, any Internet Website created by or for you must contain a hypertext link to our Internet Website in the form we require, and no other hypertext links to third-party Internet Websites unless previously approved in writing by us. Notwithstanding our approval of a Website, we reserve the right to revoke our approval at any time that the Website fails to continue to meet our standards, and you agree that upon such revocation, you will immediately discontinue use of the Website.

(2) You agree that you have no authority to, and you will not, register any domain name in any class or category that uses or creates any association with the Marks (including any abbreviation, acronym, phonetic variation, or visual variation of the Marks) or the System without our express prior written consent. You must obtain our written approval for your domain name prior to use. Your domain name must be registered in our name and licensed to you by us. On termination or

expiration of this Agreement, the license of the domain name to you will automatically terminate and you will undertake all such actions that we require to disassociate yourself with the domain name. You agree that your violation of any provision set forth in this Section 8.I. will constitute a material default under Section 18.

(3) We have established an Internet Website that provides information about the System and the products and services offered by Brand Restaurants. We will have sole discretion and control over the Website, including timing, design, contents, and continuation. We may include at the Website interior pages containing information about our franchisees' Brand Restaurants (including, your Brand Restaurant(s)) and may require you to prepare all or a portion of the page for your Brand Restaurant, at your expense, using a template that we provide, with all such information subject to our approval prior to posting. We may use Advertising Fund monies to maintain the Website.

(4) We also have the sole right (but no obligation) to develop an Intranet through which we and our franchisees can communicate by email or similar electronic means. If we develop an Intranet, you will participate in strict compliance with our standards, protocols, and restrictions, including, without limitation, standards, protocols, and restrictions relating to the encryption of confidential information and prohibitions against the transmission of libelous, derogatory, or defamatory statements. We may, in our sole discretion, charge a reasonable fee for Intranet usage, which you must pay in accordance with our invoice.

(5) You must not transmit or cause any other party to transmit advertisements or solicitations by email or other electronic media without first obtaining our written consent as to the content of such email advertisements or solicitations as well as our plan for transmitting such advertisements. In addition, you will 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 (CAN-SPAM Act of 2003).

J. Business Licenses. You must secure and maintain, at your sole cost, any and all business licenses required for the operation of the Brand Restaurant.

K. Pricing. To the fullest extent permitted by applicable law, we reserve the right to establish maximum, minimum, or other pricing requirements with respect to (i) the prices you may charge for products or services and (ii) the delivery fee that you (or your approved delivery service designee) charges for delivery of any such products or services.

9. ADVERTISING

A. Advertising Fund and Local Advertising. During each calendar year throughout the Term, you may be required to spend the amount set forth in Schedule A on local advertising and the Advertising Fund. Upon written notice to you, we may vary or increase what you are required to spend for local advertising, Cooperative advertising, or as a Advertising Fund contribution; provided that in no event will your total required expenditures for advertising exceed the maximum specific in this Section.

B. Local Advertising. The amount that you spend on local advertising must be spent on advertising for your Brand Restaurant in the local market area, which is the same as the Protected Area. At our request, you will submit to us a report (including substantiating receipts) detailing your local advertising expenditures during the time period specified in the request. In addition, we have the right to review your books and records from time to time to determine your expenditures for local advertising and promotion. If we determine that you have not spent the requisite amounts, we may require you to pay such unexpended amounts to us to apply to local advertising in the Protected Area. You may advertise permitted catering activities only in the Protected Area. Expenditures incurred for any of the following may not be included in local advertising expenditures for purposes of this Section 9.B., unless we first approve them in writing:

(1) Incentive programs for your employees or agents, including the cost of honoring

any discounts or coupons and salaries and expenses of any of your employees,

(2) Non-media costs incurred in any promotion;

(3) Charitable, political, or other contributions or donations;

(4) Materials consisting of fixtures or equipment to be located in the Brand Restaurant;

(5) The cost of Internet listings and other business listings in such directories and categories as may be specified by us from time to time; and

(6) Grand Opening expenditures incurred pursuant to Section 9.H.

C. Cooperatives. We have the right to designate any geographic area in which two or more company-owned or franchised Brand Restaurants are located as a region for purposes of establishing an advertising cooperative ("**Cooperative**"). If we do, each Cooperative will be organized and governed as, and will begin operation on a date, we determine. Cooperatives will be organized for the exclusive purpose of administering advertising programs and developing promotional materials for local advertising and will be operated solely as a conduit for the collection and expenditure of advertising contributions. If a Cooperative is established for a geographic area that includes the Protected Area, you must execute the Cooperative documents promptly upon our request and participate as a member of the Cooperative. Among other things, this means that (i) you must submit to the Cooperative and to us all statements and reports that we or the Cooperative may require, and (ii) you must contribute to the Cooperative the amounts required by the Cooperative's governing documents; provided, that your Cooperative contribution will be applied to satisfy your local advertising requirement under Section 9.B.

D. Advertising Fund. We have the right, upon delivery of written notice to you, to establish an advertising fund ("**Fund**"). You must contribute to the Fund the amounts required under Section 9.A., at the time and in the manner that royalty payments are due under Sections 5.C. and 5.E. We or our designee will administer the Fund as follows:

(1) We will direct all programs financed by the Fund, with sole discretion over the creative concepts, materials, and endorsements, and the geographic, market, and media placement and allocation thereof. You agree that the Fund may be used to pay the costs of preparing and producing video, audio, and written advertising materials; administering national, regional, and multi-regional advertising programs, including, without limitation, purchasing direct mail and other media advertising and employing advertising, promotion, and marketing agencies; the cost of developing and maintaining an internet website; and supporting public relations, market research, and other advertising, promotion, and marketing activities.

(2) The Fund will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for such reasonable salaries, administrative costs, travel expenses, and overhead as we may incur in activities related to the administration of the Fund and its programs, including, without limitation, conducting market research; preparing advertising, promotion, and marketing materials; and collecting and accounting for contributions to the Fund. We may spend, on behalf of the Fund, in any fiscal year an amount greater or less than the aggregate contribution of all Brand Restaurants to the Fund in that year, and the Fund may borrow from us or others to cover deficits or invest any surplus for future use. All interest earned on monies contributed to the Fund will be used to pay advertising costs before other assets of the Fund are expended. We will prepare an unaudited annual statement of monies collected and costs incurred by the Fund and furnish the statement to you upon written request. We have the right to cause the Fund to be incorporated or operated through a separate entity at such time as we deem appropriate, and such successor entity will have all of the rights and duties specified herein. All Brand Restaurants owned by us and our Affiliates may, but are not required to, contribute to the Fund on the same basis as a franchisee under the terms of a standard franchise agreement for a Brand Restaurant.

(3) You acknowledge that the Fund is intended to maximize recognition of the Marks and patronage of Brand Restaurants. Although we will endeavor to utilize the Fund to develop advertising and marketing materials and programs that will benefit all Brand Restaurants, we undertake no obligation to ensure that expenditures by the Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the Fund by Brand Restaurants operating in that geographic area or that any Brand Restaurant will benefit directly or in proportion to its contribution to the Fund from the development of advertising and marketing materials or the placement of advertising. You acknowledge that not all franchisees are or shall be required to contribute, or contribute the same percentage of Gross Sales, to the Fund. We may use a portion of the monies contained in the Fund to establish regional marketing funds and/or to establish and maintain a Website for Brand Restaurants. Except as expressly provided in this Section 9.D., we assume no direct or indirect liability or obligation to you with respect to collecting amounts due to, or maintaining, directing, or administering, the Fund.

(4) Fund contributions that are not spent in the year in which they are collected will be carried over to succeeding years. We reserve the right, upon 30 days prior written notice to you, to defer, reduce, or suspend contributions to (and, if suspended, deferred, or reduced, to reinstate such contributions) and to suspend operations of, the Fund for one or more periods of any length and to terminate (and, if terminated, to reinstate) the Fund. If the Fund is terminated, all unspent monies on the date of termination will be distributed to the contributors to the Fund in proportion to their respective contributions to the Fund during the preceding 12-month period.

(5) We may, in our discretion and business judgment, use the Fund to directly or indirectly place advertising in your local or regional market; however, we also intend to use the Fund to create and prepare marketing materials or advertising programs that will be provided to you so that you may directly place or implement such materials or programs in your local or regional market. Any amounts that you spend to place or implement advertising created by the Fund in your local or regional market will be credited towards your local advertising obligations under Section 9.A.

E. Promotional Programs. We may, from time to time in our sole discretion, develop and administer advertising and sales promotion programs, including, without limitation, social media apps and online ordering, designed to promote all Brand Restaurants. We will be responsible for the design and administration of such programs, including, without limitation, the type, quantity, timing, placement and choice of media, market areas, and advertising agencies. If we do establish these programs, you must participate in them in accordance with the terms and conditions we establish and pay any related fees. The standards and specifications we establish for such programs will be final and binding upon you.

F. Coupons, Certificates, Vouchers and Gift Cards. You will participate in, and comply with the requirements of, any gift card, gift certificate, customer loyalty or retention program that we implement, at your expense, for all or part of the franchise system and will sign the forms and take the other action that we require in order for you to participate in such programs. Without limitation, you will honor coupons, gift cards, gift certificates, or vouchers sold or distributed by Other Brand businesses and include the related proceeds in Gross Sales. You will utilize a vendor for gift card processing that we approve. Any coupon offer proposed by you must be approved by us before being extended.

G. Advertising Standards. Any advertising, promotion, and marketing you conduct, whether required by this Agreement or voluntarily undertaken by you, must be completely clear and factual and not misleading and must conform to the highest standards of ethical marketing and the promotion policies that we prescribe from time to time. Samples of all advertising, promotional, and marketing materials that we have not prepared or previously approved must be submitted to us for approval at least 15 days before you plan to use them. If you do not receive written disapproval within 15 days after our receipt of such materials, we will be deemed to have given the required approval, but we may withdraw our approval at any time. You may not use any advertising or promotional materials that we have disapproved.

H. Grand Opening. Within four to six weeks following the Opening Date, you must carry out a grand opening promotion for the Brand Restaurant in accordance with our standards, including, without limitation, those related to the type and size of the grand opening promotion. We must approve all advertising items, methods, and media you use in connection with such grand opening promotion in accordance with Section 9.G. You must submit one or more expenditure reports to us, accurately reflecting your grand opening expenditures within 70 days after the Opening Date or sooner upon our request. The grand opening promotion requirements set forth in this Section 9.H. shall also apply if, due to the occurrence of an event of Force Majeure or for other reasons not constituting an event of default under this Agreement, you (i) relocate your Brand Restaurant with our consent pursuant to Section 3.G. or (ii) close the Brand Restaurant for 30 days or more with our consent and later re-open the Brand Restaurant at the Location. No closing or relocation of the Brand Restaurant is permitted without our prior written consent. Amounts paid for any grand opening promotion will not be credited toward any of your other obligations under this Section 9.

I. Internet Listings. You must place and pay the cost of Internet listings on such Websites and in such online directories and categories as we may specify from time to time in the Manuals or otherwise in writing. This cost is in addition to your required local advertising expenditures.

10. MARKS

A. Your Right to Use the Marks. We grant you the right to use the Marks during the Term in accordance with this Agreement and our standards and specifications.

B. Your Agreements Regarding the Marks. You expressly acknowledge that:

(1) As between us and you, we or our Affiliate is the owner of all right, title, and interest in and to the Marks and the goodwill associated with and symbolized by them.

(2) Neither you nor any of your Owners will take any action that would prejudice or interfere with our rights or those of our Affiliates in and to the Marks. Nothing in this Agreement shall give you any right, title, or interest in or to any of the Marks, except the right to use the Marks in accordance with the terms and conditions of this Agreement.

(3) Any and all goodwill arising from your use of the Marks will inure solely and exclusively to our benefit and to the benefit of our Affiliates, and upon expiration or termination of this Agreement, no monetary amount shall be attributable to any goodwill associated with your use of the Marks.

(4) You will not contest, or assist others to contest, the validity of, or our or our Affiliates' interest in the Marks.

(5) Any unauthorized use of the Marks will constitute an infringement of our or our Affiliates' rights in the Marks and a material event of default under this Agreement. You must provide us with all assignments, affidavits, documents, information, and assistance related to the Marks that we or our Affiliates reasonably request, including all such instruments necessary to register, maintain, enforce, and fully vest the rights of us or our Affiliates in the Marks.

(6) We have the right to substitute different trade names, trademarks, service marks, logos, and commercial symbols for the current Marks to use in identifying the System and the Brand Restaurants operating under the System if the current Marks no longer can be used, or if we, in our sole discretion, determine that substitution of different marks will be beneficial to the System. If we do so, you will, at your expense, discontinue or modify your use of any of the Marks or use one or more additional or substitute marks.

C. Your Use of the Marks. Further, you will not:

(1) Operate and advertise the Brand Restaurant only under the Licensed Brand, without prefix or suffix, unless otherwise authorized or required by us. You agree not to use the Marks as part of your corporate or other legal name.

(2) Identify yourself as the owner of the Brand Restaurant in conjunction with any

use of the Marks, including, but not limited to, uses on invoices, order forms, receipts, contracts, and employment applications and other employment-related documents and display a notice in such content and form and at such conspicuous locations at the Brand Restaurant or on any vehicle used in the operation of the Brand Restaurant as we may designate in writing.

(3) Not use the Marks to incur any obligation or indebtedness on our behalf.

(4) Comply with our instructions in filing and maintaining the requisite trade name or fictitious name registrations and execute any documents deemed necessary by us or our counsel to obtain protection of the Marks or to maintain their continued validity and enforceability.

D. Infringement. You must notify us promptly of any apparent infringement of or challenge to your use of any Mark and of any claim by any person of any rights in any Mark. You and your Owners shall not communicate with any person other than us, our Affiliates, our and their counsel, and your counsel in connection with any such apparent infringement, challenge or claim. We or our Affiliate will have complete discretion to take any action we deem appropriate in connection with any infringement of, or challenge or claim to, any Mark and the right to control exclusively, or to delegate control of, any settlement, litigation, Patent and Trademark Office, or other proceeding arising out of any such alleged infringement, challenge or claim or otherwise relating to any Mark. You must execute all such instruments and documents, render such assistance, and do such acts or things as may, in our opinion, reasonably be necessary or advisable to protect and maintain our or our Affiliates' interests in the Marks.

11. CONFIDENTIALITY, NONCOMPETITION, AND NONSOLICITATION COVENANTS

A. Manuals. The Manuals, including but not limited to any electronic or online versions, are our property. We may deny you access to any electronic or online versions of the Manuals, and you must return any copies of the Manuals to us at our request and in any event when this Agreement expires or is terminated for any reason. You and your Owners must at all times maintain the Manuals, and the information contained in them, as confidential in compliance with this Section 11. You may make the Manuals available only to those of your Owners and employees who must have access to them in order to operate the Brand Restaurant and may not at any time copy, duplicate, record, or otherwise reproduce the Manuals, in whole or in part, or make them available to any unauthorized person. You must maintain the Manuals in a secure place at the Brand Restaurant. We have the right to add to or modify the Manuals from time to time. You must comply with the terms of all additions and modifications to the Manuals and keep your copy of the Manuals current. If there is a dispute about the contents of the Manuals, the terms of the master copy at our offices shall control. The entire contents of the Manuals, and our mandatory specifications, procedures, and rules prescribed from time to time, shall constitute provisions of this Agreement as if they were set forth herein.

B. Nondisclosure of Confidential Information. We will disclose to you those parts of our Confidential Information we deem necessary or advisable from time to time for the establishment and operation of the Brand Restaurant. You agree that you and your Owners will not acquire any interest in the Confidential Information, other than the right to use the Confidential Information disclosed to you in operating the Brand Restaurant during the Term, and that the use or duplication of any Confidential Information in any other business would constitute an unfair method of competition. You agree to disclose the Confidential Information to your Owners and employees only to the extent reasonably necessary for the operation of the Brand Restaurant pursuant to this Agreement. Our Confidential Information is proprietary, includes trade secrets owned by us and our Affiliates, and is disclosed to you solely on the condition that you agree, and you do hereby agree, that you: (i) will not use the Confidential Information in any other business or capacity; (ii) will maintain the confidentiality of the Confidential Information during and after the Term; (iii) will not make unauthorized copies of any portion of the Confidential Information; and (iv) will adopt and implement all reasonable procedures that we prescribe from time to time to prevent the unauthorized use or disclosure of the Confidential Information, including, without limitation, restrictions on disclosure of the Confidential Information to Brand Restaurant personnel and others. These covenants shall survive the expiration, termination, or transfer of this Agreement or any interest herein and shall be perpetually binding upon you and each of the Owners.

C. Noncompetition and Nonsolicitation Covenants. You and your Owners specifically acknowledge that, pursuant to this Agreement, you and they will receive access to valuable training and Confidential Information which are beyond your and their present skills and experience, including, without limitation, information regarding operational, sales, promotional, and marketing methods and techniques of the System. You and your Owners further acknowledge that such specialized training and Confidential Information provide a competitive advantage, and that gaining access to them is a primary reason for entering into this Agreement. Accordingly, you and your Owners agree as follows:

(1) During the Term (or with respect to each of the Owners, for so long as such person satisfies the definition of Owner under this Agreement), except as otherwise approved in writing by us, neither you nor any of your Owners shall, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, legal entity, or association:

(a) Directly or indirectly divert, or attempt to divert, any business or customer of Brand Restaurants to any competitor, or do or perform any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(b) Own, maintain, operate, engage in, or have any financial or beneficial interest in, advise, assist or make loans to, any Competitive Business which is located within the United States, its territories or commonwealths, or any other country, province, state or geographic area in which we or our Affiliates have used, sought registration of or registered the Marks or similar marks or operate or license others to operate a business under the Marks or similar marks.

(2) For a continuous uninterrupted period commencing upon the expiration, termination, or transfer of all of your interest in this Agreement (or, with respect to each of the Owners, commencing upon the earlier of (i) the expiration or termination of, or transfer of all of your interest in, this Agreement or (ii) the time such individual or entity ceases to satisfy the definition of Owner under this Agreement) and continuing for two years thereafter, except as otherwise approved in writing by us, neither you, nor any of your Owners shall, directly or indirectly, for themselves, or through, on behalf of, or in conjunction with any other person, legal entity or association:

(a) Directly or indirectly divert, or attempt to divert, any business or customer of Brand Restaurants to any competitor, or do or perform any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(b) Own, maintain, operate, engage in, or have any financial or beneficial interest in, advise, assist, or make loans to, any Competitive Business which is, or is intended to be, located (i) at the Location, (ii) within the Protected Area, or (iii) within a 20-mile radius of the location of any Brand Restaurant then in existence or under construction.

(3) You agree that each of the foregoing covenants contain reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or our other business interests. Each covenant shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 11.C. is held unreasonable or unenforceable by a court having valid jurisdiction in an unappealed final decision to which we are a party, you and your Owners expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 11.C.

(a) You and your Owners acknowledge that we will have the right, in our sole discretion, to reduce the scope of any covenant set forth in this Section 11.C. without your or their consent, effective immediately upon notice to you; and you and your Owners must promptly comply with any covenant as modified.

(b) You and your Owners expressly agree that the existence of any claims you or they may have against us, whether arising under this Agreement or otherwise, shall not constitute a defense to the enforcement by us of the covenants in this Section 11.C.

D. Improvements. If you, your employees, or Owners develop any new concept, process, or improvement in the operation or promotion of a Brand Restaurant ("**Improvement**"), you must promptly notify us and provide us with all necessary related information, without compensation. Any such Improvement shall become our sole property, and we shall be the sole owner of all related patents, patent applications, and other intellectual property rights. You and your Owners hereby assign to us any rights you or they may have or acquire in the Improvements, including the right to modify the Improvement, and waive and/or release all rights of restraint and moral rights therein and thereto. You and your Owners must assist us in obtaining and enforcing the intellectual property rights to any such Improvement in any and all countries and further must execute and provide us with all necessary documentation for obtaining and enforcing such rights. You and your Owners hereby irrevocably designate and appoint us as your and their agent and attorney-in-fact to execute and file any such documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property right related to any such Improvement. In the event that the foregoing provisions of this Section 11.D. are found to be invalid or otherwise unenforceable, you and your Owners hereby grant to us a worldwide, perpetual, non-exclusive, fully-paid license to use and sublicense the use of the Improvement to the extent such use or sublicense would, absent this Agreement, directly or indirectly infringe your or their rights therein.

E. Injunctive Relief. You and your Owners acknowledge that any failure to comply with the requirements of this Section 11 shall constitute a material event of default under this Agreement and further acknowledge that such a violation would result in irreparable injury to us for which no adequate remedy at law may be available. You and your Owners accordingly consent to the issuance of an injunction prohibiting any conduct by you or them in violation of the terms of this Section 11, without the requirement that we post a bond. You and your Owners must pay all court costs and reasonable attorneys' fees and costs that we incur in connection with the enforcement of this Section 11, including all costs and expenses for obtaining specific performance, or an injunction against the violation, of the requirements of this Section 11, or any part of it.

F. Execution of Covenants by Your Owners and Management. You must require and obtain the execution of covenants similar to those set forth in Sections 11.B. and C. from, at our request, any Key Restaurant Personnel or other of your personnel. These covenants must be substantially in the form set forth in Exhibit B; however, we reserve the right, in our sole discretion, to decrease the scope of the noncompetition and nonsolicitation covenants set forth in Exhibit B or eliminate such noncompetition and nonsolicitation covenants altogether for any person that is required to execute such agreement.

12. BOOKS AND RECORDS

A. Maintenance of Books and Records. You must maintain during the Term, in accordance with generally accepted accounting principles and in the form and manner we prescribe from time to time in the Manuals, full, complete, and accurate books, records, and accounts of the Brand Restaurant, including, but not limited to, sales slips, coupons, purchase orders, payroll records, check stubs, bank statements, sales tax records and returns, cash receipts and disbursements, journals, and ledgers. You must preserve such books and records for at least five years from the date of preparation.

B. Reporting. In addition to other reports required by this Agreement, you will submit to us, in the form we prescribe from time to time and at your expense:

(1) Within 20 days from the end of each calendar month, the operating statements, financial statements, statistical reports, and other information we request (which may be unaudited), signed by your treasurer, chief financial officer, or comparable officer attesting that it is true, complete and correct.

(2) Within 20 days after the end of each calendar quarter, your complete quarterly

financial statement (which may be unaudited), including a balance sheet, profit and loss statement, and statement of cash flows, prepared in accordance with generally accepted accounting principles by an independent certified public accountant satisfactory to us and showing the results of your operations during such calendar quarter.

(3) Within 60 days after the end of the Brand Restaurant's fiscal year, your complete annual financial statement (which may be unaudited), including a balance sheet, profit and loss statement, and statement of cash flows, prepared in accordance with generally accepted accounting principles by an independent certified public accountant satisfactory to us and showing the results of your operations during such calendar year.

(4) Not later than five days after filing, copies of your federal income tax returns (including any extension requests) and within five days after the end of each calendar quarter, copies of your state sales tax returns. If the Brand Restaurant is in a state which does not impose a sales tax, you will submit a copy of your state income tax return (including any extension requests) not later than five days after filing.

(5) At the times reasonably required by us, such other forms, reports, records, information, and data as we may reasonably designate.

C. Audits. We or our designees have the right at all reasonable times to review, audit, examine, and copy your books and records relating to the Brand Restaurant. If any required payments to us are delinquent, or if an examination or audit should reveal that such payments have been understated in any report to us, then you must pay to us upon demand the amount overdue or understated with interest determined in accordance with Section 5.E. If an examination or audit discloses an understatement in any report of two percent or more, you must, in addition, reimburse us for all costs and expenses connected with the audit (including, without limitation, reasonable accounting and attorneys' fees and costs). These remedies shall be in addition to any other remedies we may have at law or in equity.

D. No Waiver. Our receipt or acceptance of any of the statements furnished or amounts paid to us (or the cashing of any check or processing of any electronic fund transfer) will not preclude us from questioning the correctness thereof at any time, and, in the event that any errors are discovered in such statements or payments, you must immediately correct the error and make the appropriate payment to us.

E. Authorization to Release Information. You hereby authorize (and agree to execute any other documents deemed necessary to effect such authorization) all banks, financial institutions, businesses, suppliers, manufacturers, contractors, vendors, and other persons or entities with whom you do business to disclose to us any financial information in their possession relating to you or the Brand Restaurant which we may request. You further authorize us to disclose to prospective franchisees or other third parties data from your reports if we determine, in our sole discretion, that such disclosure is necessary or advisable.

13. INSURANCE

A. Insurance Coverage Requirements. Not later than 60 days before the Opening Date, you must procure, at your expense, an insurance policy or policies protecting you, us, our Affiliates, successors, and assigns, and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors, and employees of each of them against any demand or claim with respect to personal injury, death, or property damage, or any loss, liability or expense whatsoever arising or occurring at or in connection with the operation of the Brand Restaurant. You must maintain these policies in full force and effect at all times during the Term. The policies shall be written by a responsible carrier or carriers rated "A" or better by the A.M. Best Company, Inc. and otherwise reasonably acceptable to us and must include, at a minimum (except as additional coverages and higher policy limits may specified by us from time to time in writing), the types and amounts of insurance set forth in Schedule A.

B. Deductibles; Waiver of Subrogation. You may elect to have reasonable deductibles in connection with the coverage required under Sections 13.A(1)-(8) hereof. Such policies shall also include a waiver of subrogation in favor of us, our Affiliates and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants, and employees of each of them.

C. Builder's Risk Insurance. In connection with any construction, renovation, refurbishment, or remodeling of the Brand Restaurant, you must maintain Builder's Risks/Installation insurance and performance and completion bonds in forms and amounts, and written by a carrier or carriers, reasonably satisfactory to us.

D. No Limitation of Other Obligations. Your obligation to obtain and maintain the foregoing policies in the amounts specified shall not be limited in any way by reason of any insurance which may be maintained by us, nor shall your performance of that obligation relieve you of liability under the indemnity provisions set forth in Section 16. The insurance policies you are required to maintain under this Agreement shall be considered primary and non-contributing with any insurance policies carried by us.

E. Additional Insured Designation. All insurance policies required under this Agreement, with the exception of workers' compensation and employment practices liability, shall name us and our Affiliates, and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees of each of them, as additional insureds, and shall expressly provide that our and their interest shall not be affected by your breach of any policy provisions. All public liability and property damage policies shall contain a provision that we and our Affiliates, and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants, and employees of each of them, although named as insureds, shall nevertheless be entitled to recover under such policies on any loss occasioned to them by reason of your negligence or that of your servants, agents, or employees.

F. Certificates of Insurance. Upon the execution of this Agreement and 30 days before the expiration of any policy required under this Agreement, you must deliver to us certificates of insurance evidencing the existence and continuation of proper coverage with limits not less than those required under this Section 13; provided, however, that the limits required under this Section 13 are merely the minimum required limits and do not relieve you of your responsibility to ensure that the limits and coverages you maintain are adequate to protect your interests. In addition, if we request, you will deliver to us a copy of the insurance policy or policies required. All required insurance policies must expressly provide that we are entitled to no less than 30 days prior written notice in the event of a material alteration to or cancellation of the policies.

G. Remedies. If you fail to procure or maintain the insurance required by this Agreement, we have the right and authority (but no obligation) to procure such insurance and to charge to you the cost of such insurance, together with a reasonable fee for our expenses, which shall be payable by you upon demand. The foregoing remedies are in addition to any other remedies we may have at law or in equity.

XIV. DEBTS AND TAXES

A. Payment of Taxes and Other Obligations. You must promptly pay when due all Taxes levied or assessed and all accounts and other indebtedness of every kind incurred by you in connection with the Brand Restaurant. You are solely liable for the payment of all Taxes, and you must indemnify us for the full amount of all such Taxes and for any liability (including penalties, interest, and expenses) arising from or concerning the payment of Taxes, whether or not correctly or legally assessed.

B. Disputed Liability. If there is a *bona fide* dispute as to your liability for Taxes or other indebtedness, you may contest the validity or the amount of the Tax or indebtedness in accordance with the procedures of the taxing authority or applicable law. However, in no event shall you permit a tax sale or seizure by levy of execution or similar writ or warrant or attachment by a creditor, to occur against the Brand Restaurant.

C. Credit Standing. You acknowledge that the failure to make payments or repeated delays in making prompt payments to suppliers will result in a loss of credit rating or standing which will be detrimental to the goodwill associated with the Marks and the System. Except for payments which are disputed by you in good faith, you must promptly pay when due all amounts owed by you to us, our Affiliates, your landlord, and all other suppliers and creditors.

D. Notice of Adverse Orders. You must notify us in writing within five days of the commencement of any action, suit or proceeding and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, which may adversely affect the operation or financial condition of the Brand Restaurant.

15. TRANSFER

A. By Us. We have the right to transfer or assign this Agreement and all or any part of our rights or obligations under this Agreement to any person or legal entity without your consent, and upon such transfer or assignment, the transferee or assignee shall be solely responsible for all our obligations arising subsequent to the transfer or assignment. Without limitation of the foregoing, we may sell our assets to a third party; may offer our securities privately or publicly; may merge with or, acquire other corporations, or may be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout, or other economic or financial restructuring.

B. By You and Your Owners. You acknowledge that the rights and duties set forth in this Agreement are personal to you, and that we have granted you rights under this Agreement in reliance on your business skill, financial capacity, and personal character and that of your Owners. Accordingly, neither you nor any of your Owners, nor any of your or their permitted successors or assigns, shall sell, assign, transfer, convey, give away, pledge, mortgage, grant any security interest in, or otherwise dispose of or encumber any direct or indirect interest in this Agreement, in the Brand Restaurant, or in you without our prior written consent. Any purported assignment or transfer, by operation of law or otherwise, made in violation of this Agreement shall be null and void and shall constitute a material breach of this Agreement. If you wish to transfer all or part of your interest in the Brand Restaurant or this Agreement, or if you or an Owner wish to transfer any ownership interest in you, the transferor shall apply to us for our consent. We will not unreasonably withhold our consent but may require any or all of the following as conditions of our consent:

(1) All accrued monetary obligations of you and your Affiliates to us and our Affiliates arising under this Agreement or any other agreement shall have been satisfied in a timely manner, and you shall have satisfied all trade accounts and other debts of whatever nature or kind in a timely manner;

(2) You and your Affiliates shall not be in default of this Agreement or any other agreement with us or our Affiliates, and you and they shall have substantially and timely complied with all the terms and conditions of such agreements during their respective terms;

(3) The transferor and its owners, if applicable, shall have executed a general release, in a form satisfactory to us, of any and all claims, against us and our Affiliates, our and their respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants, and employees, past and present, in their corporate and individual capacities, including, without limitation, claims arising under this Agreement and any other agreement with us or our Affiliates, and under federal, state or local laws, rules, and regulations or orders;

(4) The proposed transferee must demonstrate to our satisfaction that it meets our then-current qualifications, and, at the transferee's expense, its operating principal, general manager, Key Restaurant Personnel, and any other personnel we require shall complete any training programs then in effect for Brand Restaurants upon such terms and conditions as we may reasonably require;

(5) The transferee shall, at its expense and within the time period we reasonably require, renovate, modernize and otherwise upgrade the Brand Restaurant to conform to our then-current

System image, standards, and specifications;

(6) The transferee shall enter into a written agreement, in a form satisfactory to us, assuming full, unconditional, joint and several liability for, and agreeing to perform from the date of the transfer, all of your obligations, covenants, and agreements under this Agreement;

(7) The transferee shall execute our then-current form of franchise agreement for a term ending on the expiration date of this Agreement (including any renewal terms provided by this Agreement). The new franchise agreement shall supersede this Agreement in all respects and its terms may differ from the terms of this Agreement, including higher fees, but the transferee shall not be required to pay an initial franchise fee or opening fee. If the transferee is a corporation, partnership, limited liability company, or other entity, those of the transferee's owners whom we require shall execute such guaranty and assumption documents as we may require;

(8) The transferor shall remain liable for all of its obligations to us under this Agreement incurred prior to the effective date of the transfer and shall execute any and all instruments reasonably requested by us to evidence such liability;

(9) You must pay us a $7,500 transfer fee every time you submit an application for consent to transfer. The transfer fee must be submitted at the time you submit the application for consent to transfer. If, however, our costs and expenses in reviewing and processing the transfer, including attorneys' fees, exceed the applicable transfer fee, then in addition to the transfer fee, you must pay for those additional costs and expenses, including our attorneys' fees. The transfer fee is nonrefundable even if, for any reason, the proposed transfer does not occur, in which case the transfer fee you paid us for the failed transfer will not be applied to any future attempted transfer;

(10) If the transfer relates to the grant a security interest in any of your assets, we may require the secured party to agree that, in the event of any default by you under any documents related to the security interest, we shall have the right and option (but no obligation) to be substituted as obligor to the secured party and to cure any default.

C. Transfer for Convenience of Ownership. If the proposed transfer is to a corporation or other entity formed solely for the convenience of ownership, our consent may be conditioned upon any of the requirements in Section 15.B., except that Sections 15.B.(3), (4), (5), and (7) shall not apply and the fee provided for in Section 15.B.(9) shall be limited to our reasonable out-of-pocket costs and expense (including legal and accounting fees and costs). In any transfer for the convenience of ownership, you must be the owner of all the voting stock or ownership interests in the new entity, or, if you are more than one individual, each individual shall have the same proportionate ownership interest in the new entity as he or she had in you before the transfer.

D. Right of First Refusal. If you or an Owner wishes to transfer any interest in this Agreement, the Brand Restaurant, or you pursuant to any *bona fide* offer received from a third party to purchase such interest, then the proposed seller shall promptly notify us in writing of the offer, and shall provide such information and documentation relating to the offer as we may require. We will have the right and option, exercisable within 30 days after receipt of such written notification and copies of all required documentation describing the terms of the offer, to send written notice to the seller that we intend to purchase the seller's interest on the terms and conditions offered by the third party. If we elect to purchase the seller's interest, closing shall occur on or before 60 days from the later of the date of our notice to seller of our election to purchase and the date we receive all necessary permits and approvals, or any other date agreed by the parties in writing. If the third party offer provides for payment of consideration other than cash, we may elect to purchase seller's interest for the reasonable cash equivalent. If the parties cannot agree within a reasonable time on the reasonable cash equivalent, then that amount shall be determined by two appraisers. Each party shall select one appraiser, and the average of the appraisers' determinations shall be binding. Each party shall bear its own legal and other costs and shall share the appraisal fees equally. If we exercise our right of first refusal, we will have the right to set off all appraisal fees and other amounts due from you to us or any of our Affiliates. A material change in the terms of any offer before closing shall constitute a new offer subject to the same right of first refusal as an initial offer. Our failure to exercise the option afforded by this Section 15.D. shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of Section 15.B. If you do not complete the sale to the proposed buyer within 90 days after we notify you that we do not intend to exercise our right of first refusal, we or our designee will have an additional right of first refusal during the 30-day period following the expiration of the 90-day period on the terms originally offered at our or our designee's option. Failure to comply with this Section 15.D. shall constitute a material event of default under this Agreement.

E. Death or Permanent Disability. You must promptly notify us of any death or claim of permanent disability subject to this Section 15.E. Any transfer upon death or permanent disability shall be subject to the following conditions, as well as to the conditions described in Section 15.B. for any *inter vivos* transfer.

(1) Upon your death (if you are a natural person) or the death of any Owner who is a natural person ("Deceased"), the executor, administrator, or other personal representative of the Deceased shall transfer such interest to a third party approved by us within six months after the date of death. If no personal representative is designated or appointed or no probate proceedings are instituted with respect to the estate of the Deceased, then the distributee of such interest must be approved by us. If the distributee is not approved by us, then the distributee shall transfer such interest to a third party approved by us within six months after the death of the Deceased.

(2) Upon your permanent disability (if you are a natural person) or the permanent disability of any Owner who is a natural person, we may, in our sole discretion, require that person's interest to be transferred to a third party in accordance with the conditions described in this Section 15 within six months after notice to you. "**Permanent disability**" shall mean any physical, emotional, or mental injury, illness, or incapacity which would prevent a person from performing the obligations set forth in this Agreement or in the guaranty made part of this Agreement for at least 90 consecutive days and from which condition recovery within ninety 90 days from the date of determination of disability is unlikely. Permanent disability shall be determined by a licensed practicing physician selected by us, upon examination of the person, or if the person refuses to submit to an examination, then such person automatically shall be deemed permanently disabled as of the date of such refusal for the purpose of this Section 15.E. We will pay the costs of any examination required by this Section 15.E.(2).

F. Securities Offerings. Interests in you shall not be offered to the public by private or public offering without our prior written consent, which we will not unreasonably withhold. As a condition of our consent, we may, in our sole discretion, require that immediately after such offering your Owners retain a Controlling Interest in you. You must give us written notice at least 30 days before the commencement of any offering covered by this Section 15.F. and to submit all offering materials to us for review before they are filed with any governmental agency or distributed for use. Our review of the offering materials shall be limited solely to the subject of the relationship between you and us. No offering shall imply that we are participating in an underwriting, issuance, or offering of securities. We may require the offering materials to contain a written statement prescribed by us concerning the relationship between you and us. You, your Owners, and the other participants in the offering must fully indemnify us, our Affiliates, our and their respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants, and employees, past and present, in connection with the offering. For each proposed offering, you must reimburse us for our reasonable costs and expenses (including, without limitation, legal, and accounting fees and costs) associated with reviewing the offering materials.

G. No Waiver. Our consent to the transfer of any interest described in this Section 15 shall not constitute a waiver of any claims which we may have against the transferring party, nor shall it be deemed a waiver of our right to demand the transferee's exact compliance with any of the terms of this Agreement.

16. INDEMNIFICATION

A. Indemnity. You and each of your Owners shall, at all times, indemnify and hold harmless to the fullest extent permitted by law us, our Affiliates, successors and assigns and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees of each of them ("**Indemnitees**"), from all Losses and Expenses, defined below, incurred in connection with 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 relates to this Agreement in any way or which arises out of or is based upon any of the following:

(1) The infringement, alleged infringement, or any other violation or alleged violation by you or any of your Owners of any patent, mark or copyright or other proprietary right owned or controlled by third parties, unless such violation or infringement relates to the use of the Marks or other proprietary information as to which a license has been granted hereunder and such use has been in accordance with this Agreement;

(2) The violation, breach or asserted violation or breach by you or any of your Owners of any federal, state or local law, regulation, ruling, standard or directive or any industry standard;

(3) Libel, slander or any other form of defamation of us, our Affiliates, the System or any franchisee or developer operating under the System, by you or by any of your Owners;

(4) The violation or breach by you or by any of your Owners of any warranty, representation, agreement or obligation in this Agreement or in any other agreement with us or any of our Affiliates; and

(5) Acts, errors, or omissions of you, any of your Affiliates, any of your Owners and the respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors servants and employees of any of them in connection with the establishment and operation of the Brand Restaurant including, but not limited to, your employer/employee relationships and any acts, errors or omissions of any of the foregoing in the operation of any motor vehicle.

B. Defense of Claim. You and each of your Owners agree to give us immediate notice of any such action, suit, proceeding, claim, demand, inquiry, or investigation. At your and your Owners' expense and risk, we may elect to assume (but under no circumstance is obligated to undertake) or associate counsel of its own choosing with respect to, the defense and/or settlement of any such action, suit, proceeding, claim, demand, inquiry or investigation. Such an undertaking by us shall, in no manner or form, diminish the obligation of you and each of your Owners to indemnify the Indemnitees and to hold them harmless.

C. 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 it, in its judgment deems appropriate, consent or agree to settlements or take such other remedial or corrective action as it deems expedient with respect to the action, suit, proceeding, claim, demand, inquiry or investigation if, in our sole judgment, there are reasonable grounds to believe that:

(1) any of the acts or circumstances enumerated in Section 16.A(1)-(4) above has occurred; or

(2) any act, error, or omission as described in Section 16.A(5) may result directly or indirectly in damage, injury, or harm to any person or any property.

D. Losses and Expenses.

(1) All Losses and Expenses incurred under this Section 16 shall be chargeable to and paid by you or any of your Owners pursuant to your and their obligations of indemnity under this

Section, regardless of any action, activity or defense undertaken by us or the subsequent success or failure of such action, activity, or defense.

(2) As used in this Section 16, the phrase "**Losses and Expenses**" shall include, without limitation, all losses, compensatory, exemplary or punitive damages, fines, charges, costs, expenses, lost profits, reasonable attorneys' fees and costs, court costs, settlement amounts, judgments, compensation for damages to our reputation and goodwill, costs of or resulting from delays, financing costs, costs of advertising material and media time/space and costs of changing, substituting or replacing the same, any and all expenses of recall, refunds, compensation, and public notices and all other payments of money incurred in connection with the matters described.

E. Contributory Negligence. The Indemnitees do not assume any liability for acts, errors or omissions of those with whom you or your Owners may contract, regardless of the purpose. You and your Owners shall hold harmless and indemnify the Indemnitees as set forth herein without limitation and without regard to the cause or causes thereof or the negligence (whether such negligence be gross, sole, joint or concurrent, or active or passive) or strict liability of ours or any other party or parties arising in connection therewith, including, without limitation, the other Indemnitees.

F. No Duty to Mitigate; Survival of Obligations. Under no circumstances shall we be required or obligated to seek recovery from third parties or otherwise mitigate its losses in order to maintain a claim under the indemnity and against you, and our failure to pursue such recovery or mitigate such loss will no way reduce the amounts recoverable by us from you. You and your Owners expressly agree that the terms of this Section 16. shall survive the termination, expiration or transfer of this Agreement or any interest herein.

17. INDEPENDENT CONTRACTOR

You agree that the relationship created by this Agreement is not a fiduciary, special, or any other similar relationship, but rather is an arms-length business relationship, and we owe you no duties except as expressly provided in this Agreement. You are an independent contractor, and nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, joint employer, or servant of the other for any purpose. During the Term, you must hold yourself out to the public as an independent contractor conducting the operations of the Brand Restaurant pursuant to the rights granted by us. Nothing in this Agreement authorizes you or any of your Owners to make any contract, agreement, warranty, or representation on our behalf, or to incur any debt or other obligation in our name, and we will in no event assume liability for, or be deemed liable under this Agreement as a result of, any such action, or for any act or omission of you or any of your Owners or any claim or judgment arising therefrom. We do not participate in the hiring, promoting, disciplining, or discharging of your employees or in setting or paying wages or benefits to your employees, and you acknowledge that we have no power, responsibility, or liability in respect to the hiring, promoting, disciplining, or discharging of employees or in setting or paying their wages. You must conspicuously identify yourself and the Brand Restaurant in all dealings with your employees, customers, contractors, suppliers, public officials, and others, as an independent franchisee of ours, and you must place a conspicuous notice, in the form and at such place as we prescribe, notifying the public of such independent ownership.

18. TERMINATION

A. Automatic Termination. You will be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to you, if you become insolvent or make a general assignment for the benefit of creditors; or if you file a voluntary petition (or have an involuntary petition filed against you) under any section or chapter of federal bankruptcy law or under any similar law or statute of the United States or any state thereof, or admit in writing your inability to pay your debts when due; or if you are adjudicated as bankrupt or insolvent in proceedings filed against you under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state; or if a bill in equity or other proceeding for the appointment of a receiver or other custodian for your business or assets is filed and consented to by you; or if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law are instituted by or against you; or if a final judgment against you remains unsatisfied or of record for 30 days or longer (unless supersedeas bond is filed); or if you are dissolved; or if execution is levied against your business or property; or if judicial, non-judicial or administrative proceedings to foreclose any lien or mortgage against the Brand Restaurant premises or equipment is instituted against you and not dismissed within 30 days; or if the real or personal property of your Brand Restaurant shall be sold after levy thereupon by any sheriff, marshal, or constable or is otherwise sold by means of a foreclosure sale or a public or private auction or sale conducted in accordance with applicable law.

B. Termination on Notice; No Cure. You will be deemed to be in material default and we may, at our option, terminate this Agreement and all rights granted hereunder, without affording you any opportunity to cure the default, effective immediately upon notice to you, upon the occurrence of any of the following events:

(1) Except for authorized catering activities and any relocation approved by us, if you operate the Brand Restaurant or sell any products or services authorized by us at any location other than the Location;

(2) If you fail to construct the Brand Restaurant in accordance with Section 3;

(3) If you fail to open the Brand Restaurant for business within the period specified in Section 3.F.;

(4) If you at any time cease to operate or otherwise abandon the Brand Restaurant, or lose the right to occupy the Location, or otherwise forfeit the right to do or transact business in the jurisdiction where the Brand Restaurant is located; provided, that this provision shall not apply upon the occurrence of an event of Force Majeure, if you apply within 30 days after such event for our approval to relocate or reconstruct the Brand Restaurant and you diligently pursue such reconstruction or relocation. Our approval will not be unreasonably withheld but may be conditioned upon the payment of an agreed minimum fee to us during the period in which the Brand Restaurant is not in operation;

(5) If a threat or danger to public health or safety results from the construction or operation of the Brand Restaurant;

(6) If you or any of your Owners is convicted of, or has entered a plea of, guilty or *nolo contendere* to a felony, a crime involving moral turpitude, or any other crime or offense that we believe is reasonably likely to have an adverse effect on the System, the Marks, the goodwill associated therewith, or our interests therein;

(7) If you or any of your Owners transfer or attempt to transfer any rights or obligations under this Agreement or any interest in you or the Brand Restaurant contrary to the terms of this Agreement, or if a transfer upon death or permanent disability is not made in accordance with Section 15.E.;

(8) If, contrary to the terms of Section 11.B., you or any of your Owners disclose or divulge any Confidential Information;

(9) If you knowingly maintain false books or records, or submit any false reports to us;

(10) If you breach in any material respect any of the covenants, or have falsely made any of the representations or warranties, set forth in Section 7, or if you make any material misstatement or omission in an application for this franchise or in any other information provided to us;

(11) If you fail to comply with our quality assurance program (including any applicable cure periods provided under such program);

(12) If you or any of your Owners repeatedly commit an event of default under this Agreement, whether or not such defaults are of the same or different nature and whether or not such defaults have been cured by you after notice by us;

(13) If your assets, property, or interests are "blocked" under any law, ordinance, or regulation relating to terrorist activities or if you are otherwise in violation of any such law, ordinance, or regulation; or

(14) If you or any of your Affiliates are in default of any other franchise agreement with us and fail to cure such default within the applicable cure period, if any.

C. Termination on Notice; Opportunity to Cure. Except as provided in Sections 18.A. and 18.B., upon any default which is capable of being cured, we may terminate this Agreement by giving you written notice of termination, stating the nature of the default and the time period within which the default must be cured. You may avoid termination by immediately initiating a remedy to cure such default and curing it to our satisfaction within the time period set forth below or any longer period that applicable law may require ("**cure period**"). If the default is not cured within the cure period, this Agreement shall terminate without further notice to you effective immediately upon the expiration of the cure period. Defaults which are susceptible of cure hereunder may include, but are not limited to, the following:

(1) If you fail to procure and maintain the insurance policies required by Section 13 and fail to cure such default within seven days following notice from us;

(2) If you misuse or make any unauthorized use of the Marks or otherwise materially impair the goodwill associated therewith or our rights therein and fail to cure such default within 24 hours following notice from us;

(3) If you fail to obtain the execution of the confidentiality and related covenants as required under Section 11.F. within 10 days after we request and fail to cure such default within 30 days following notice from us;

(4) If you or any of your Affiliates fail, refuse, or neglect promptly to pay any monies owed to us or any of our Affiliates when due, or fail to submit the financial or other information we require under this Agreement, and do not cure such default within five days following notice from us;

(5) If you or any of your Owners fail to comply with the restrictions against competition or solicitation set forth in Section 11.C. and fail to cure such default within 10 days following notice from us;

(6) If you fail to maintain or observe any of the standards, specifications, or procedures prescribed by us in this Agreement or otherwise in writing, and fail to cure such default within 30 days following notice from us;

(7) If you fail to secure the required liquor license(s) by the date the Brand Restaurant is otherwise ready (and/or required) to open for business and fail to cure such default within 10 days following notice from us; or

(8) If you fail to comply with any other requirement imposed by this Agreement or fail to carry out the terms of this Agreement in good faith and fail to cure such default within 30 days following notice from us.

19. POST-TERMINATION

A. Your Obligations Upon Termination. Upon the termination or expiration of this Agreement for any reason, all rights granted to you will terminate, and you must:

(1) Immediately cease to operate the Brand Restaurant under this Agreement and must not thereafter, directly or indirectly, represent to the public or hold yourself out as one of our

present or former franchisees.

(2) Immediately and permanently cease to use, in any manner whatsoever, the Marks and any Confidential Information associated with the System. Without limitation of the foregoing, you must cease to use all signs, advertising materials, displays, stationery, forms, and any other items which display the Marks.

(3) Take such action as may be necessary to cancel any assumed name, fictitious name, or equivalent registration which contains the Licensed Brand or any other Mark, and furnish us with satisfactory evidence of compliance within five days after termination or expiration of this Agreement.

(4) Not use any reproduction, counterfeit, copy, or colorable imitation of the Marks which is likely to cause confusion, mistake, or deception, or which is likely to dilute our rights in and to the Marks, nor use any designation of origin or description or representation which falsely suggests or represents an association or connection with us constituting unfair competition.

(5) Promptly pay all sums owing to us and our Affiliates, and all damages, costs, and expenses, including reasonable attorneys' fees and costs, incurred by us as a result of any default by you or in connection with obtaining injunctive or other relief for the enforcement of any provisions of this Section 19, which obligation shall give rise to and remain a lien in favor of us against any and all of your assets, until such obligations are paid in full.

(6) Promptly deliver to us all Manuals, Software Programs, Confidential Information, and other materials related to the operation of the Brand Restaurant in your possession or control, and all copies thereof, all of which are acknowledged to be our property, and retain no copy or record of any of the foregoing, except your copy of this Agreement and of any correspondence between you and us and any other documents which you reasonably need for compliance with any provision of law.

(7) Comply with the restrictions against the disclosure of Confidential Information and against competition contained in Section 11 and cause any other person required to execute similar covenants pursuant to Section 11 also to comply with such covenants.

(8) Promptly furnish to us an itemized list of all advertising and sales promotion materials bearing the Marks, whether located at the Brand Restaurant or at any other location under your control. We have the right to inspect these materials and the option, exercisable within 30 days after such inspection, to purchase any or all of the materials at your cost. Materials we do not purchase cannot be used by you or any other person for any purpose unless authorized in writing by us.

(9) At our option, assign to us all rights to the telephone numbers of the Brand Restaurant and any related Internet listings or other business listings and execute all forms and documents required by us to transfer such service and numbers to us. You must use different telephone numbers at or in connection with any subsequent business conducted by you.

(10) If we do not elect to exercise our option to acquire the lease or sublease for the Location (as described below), you must make such modifications or alterations to the premises as are necessary to distinguish the appearance of the Brand Restaurant from that of other Brand Restaurants, and, if you fail or refuse to do so, we have the right to enter upon the premises, without being guilty of trespass or any other crime or tort, to make or cause such changes to be made, at your expense.

B. Our Post-Term Purchase Options. In addition to its options under Sections 19.A.(9) and (10), we shall have the following options, to be exercised within thirty (30) days after termination or expiration of this Agreement:

(1) We shall have the option to purchase from you any or all of the furnishings, equipment, signs, fixtures, supplies, materials and other assets related to the operation of the Brand Restaurant, at fair market value. In addition, if you own the land upon which the Brand Restaurant is

located, we shall have the further option to purchase the land, including any building on the land used for the operation of the Brand Restaurant, for the fair market value of the land and building. If you do not own the land, we may nevertheless exercise this option for the purpose of purchasing any building owned by you and used in the operation of the Brand Restaurant.

(2) With respect to our options under Section 19.B.(1), we shall purchase assets only and shall assume no liabilities, unless otherwise agreed in writing by the parties. If the parties cannot agree on the fair market value of the assets within thirty (30) days of our exercise of its option, fair market value shall be determined by three (3) appraisers. Each party shall select one (1) appraiser, and those two (2) appraisers shall select a third appraiser. The average of the determinations of the three (3) appraisers shall be binding. In the event of an appraisal, each party shall bear its own legal and other costs and shall divide the appraisal fees equally. The purchase price shall be paid in cash; provided, that Franchisor shall have the right to set off from the purchase price (i) all fees due from you for any appraisal conducted hereunder, (ii) all amounts due from you to us or any of its Affiliates, and (iii) any costs incurred in connection with any escrow arrangement (including reasonable legal fees and costs).

(3) Closing of the purchase and sale of the properties described above shall occur not later than thirty (30) days after the purchase price is determined, unless the parties mutually agree to designate another date. At closing, you shall deliver to us, in a form satisfactory to us, such warranties, deeds, releases of lien, bills of sale, assignments and such other documents and instruments which we deem necessary in order to perfect our title and possession in and to the properties being purchased and to meet the requirements of all tax and government authorities. If, at the time of closing, you have not obtained all necessary documents, instruments, or third party consents, we may, in our sole discretion, place the purchase price in escrow pending issuance of any required certificates or documents. Closing shall take place at our corporate offices or at such other location as the parties may agree.

C. Assignment of Franchisor Rights. We shall be entitled to assign any and all of our options in this Section 19 to any other party, without your consent.

20. MISCELLANEOUS

A. Notices. Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by expedited delivery service or certified or registered mail, return receipt requested, first-class postage prepaid, or sent by facsimile or electronic mail to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party at the appropriate single address specified in Schedule A, or such other single address as may be designated by the party to be notified. Any notice shall be deemed to have been given at the time of personal delivery or, in the case of expedited delivery service, on the next Business Day, or, in the case of or registered or certified mail, three (3) Business Days after the date and time of mailing, or, in the case of electronic mail, upon transmission (provided confirmation is sent by expedited delivery service or registered or certified mail as provided above).

B. No Waiver. 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 or your Owners under this Agreement shall constitute a waiver by us to enforce any such right, option, duty, or power against you or your Owners, or as to a subsequent breach or default by you or your Owners.

C. Approval or Consent. Whenever this Agreement requires our prior approval or consent, you must make a timely written request to us, and such approval or consent shall be obtained in writing. No waiver, approval, consent, advice, or suggestion given to you, and no neglect, delay, or denial of any request therefor, shall constitute a warranty or guaranty by us, nor do we assume any liability or obligation to you or any third party as a result thereof.

D. Force Majeure. Upon the occurrence of an event of Force Majeure, the party affected thereby shall give prompt notice thereof to the other party, together with a description of the event, the duration for which the party expects its ability to comply with the provisions of the Agreement to be affected, and a plan for resuming operation under the Agreement, which the party shall promptly undertake and maintain with due diligence. An affected party shall be liable for failure to give timely notice only to the extent of damage actually caused. If an event of Force Majeure shall occur, then, in addition to payments required under Section 18.B.(4), you must continue to pay to us any and all amounts that you have duly become obligated to pay in accordance with the terms of this Agreement prior to the occurrence of such event, and the Indemnitees shall continue to be indemnified and held harmless by you in accordance with Section 16. Except as provided in Section 18.B.(4) and the immediately preceding sentence, neither party shall be held liable for a failure to comply with any terms and conditions of this Agreement when such failure is caused by an event of Force Majeure.

E. Severability. Except as expressly provided to the contrary in this Agreement, each portion, section, part, term, and provision of this Agreement shall be considered severable; and if, for any reason, any portion, section, part, term, or provision is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, this shall not impair the operation of, or have any other effect upon, the other portions, sections, parts, terms or provisions of this Agreement that may remain otherwise intelligible, and the latter shall continue to be given full force and effect and bind the parties; the invalid portions, sections, parts, terms or provisions shall be deemed not to be part of this Agreement; and there shall be automatically added such portion, section, part, term or provision as similar as possible to that which was severed, which shall be valid and not contrary to or in conflict with any law or regulation.

F. MEDIATION. WE AND YOU ACKNOWLEDGE THAT DURING THE TERM CERTAIN DISPUTES MAY ARISE THAT WE AND YOU ARE UNABLE TO RESOLVE, BUT THAT MAY BE RESOLVABLE THROUGH MEDIATION. TO FACILITATE SUCH RESOLUTION, YOU AND WE WILL SUBMIT ANY CLAIM, CONTROVERSY, OR DISPUTE BETWEEN US OR ANY OF OUR AFFILIATES (AND OUR AND THEIR RESPECTIVE OWNERS, OFFICERS, DIRECTORS, AGENTS, REPRESENTATIVES, AND/OR EMPLOYEES) AND YOU (AND YOUR OWNERS, AGENTS, REPRESENTATIVES, AND/OR EMPLOYEES) ARISING OUT OF OR RELATED TO (a) THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN US AND YOU, (b) OUR RELATIONSHIP WITH YOU, OR (c) THE VALIDITY OF THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN US AND YOU TO MEDIATION BEFORE BRINGING SUCH CLAIM, CONTROVERSY, OR DISPUTE IN A COURT OR BEFORE ANY OTHER TRIBUNAL.

(1) THE MEDIATION SHALL BE CONDUCTED BY A MEDIATOR AGREED UPON BY YOU AND US AND, FAILING SUCH AGREEMENT WITHIN NOT MORE THAN 15 DAYS AFTER EITHER PARTY HAS NOTIFIED THE OTHER OF ITS DESIRE TO SEEK MEDIATION, BY THE AMERICAN ARBITRATION ASSOCIATION OR ANY SUCCESSOR ORGANIZATION ("AAA") IN ACCORDANCE WITH ITS RULES GOVERNING MEDIATION. MEDIATION SHALL BE HELD AT THE OFFICES OF THE AAA NEAREST TO FRANCHISOR'S PRINCIPAL PLACE OF BUSINESS IS LOCATED (CURRENTLY, IRVINE, CALIFORNIA). THE COSTS AND EXPENSES OF MEDIATION, INCLUDING THE COMPENSATION AND EXPENSES OF THE MEDIATOR (BUT EXCLUDING ATTORNEYS' FEES AND TRAVEL COSTS INCURRED BY EITHER PARTY), SHALL BE BORNE BY THE PARTIES EQUALLY.

(2) IF THE PARTIES ARE UNABLE TO RESOLVE THE CLAIM, CONTROVERSY, OR DISPUTE WITHIN 90 DAYS AFTER THE MEDIATOR HAS BEEN CHOSEN, THEN, UNLESS SUCH TIME PERIOD IS EXTENDED BY WRITTEN AGREEMENT OF THE PARTIES, EITHER PARTY MAY BRING A LEGAL PROCEEDING PURSUANT TO SECTION 20.G. WE AND YOU AGREE THAT STATEMENTS MADE BY EITHER YOU OR US IN ANY SUCH MEDIATION PROCEEDING WILL NOT BE ADMISSIBLE FOR ANY PURPOSE IN ANY SUBSEQUENT LEGAL PROCEEDING.

(3) NOTWITHSTANDING THE FOREGOING PROVISIONS OF THIS <u>SECTION 20.F.</u>, YOUR AND OUR AGREEMENT TO MEDIATE SHALL NOT APPLY TO CONTROVERSIES, DISPUTES, OR CLAIMS RELATED TO OR BASED ON PAST DUE PAYMENTS YOU OWE US, THE MARKS, OR THE CONFIDENTIAL INFORMATION. MOREOVER, REGARDLESS OF YOUR AND OUR AGREEMENT TO MEDIATE, YOU AND WE EACH HAVE THE RIGHT IN A PROPER CASE TO SEEK TEMPORARY RESTRAINING ORDERS AND TEMPORARY OR PRELIMINARY INJUNCTIVE RELIEF IN A COURT OF COMPETENT JURISDICTION.

G. <u>LITIGATION</u>. WITH RESPECT TO ANY CONTROVERSIES, DISPUTES, OR CLAIMS WHICH ARE NOT FINALLY RESOLVED THROUGH MEDIATION AS PROVIDED IN <u>SECTION 20.F.</u>, THE PARTIES IRREVOCABLY SUBMIT THEMSELVES TO THE JURISDICTION OF THE STATE AND THE FEDERAL DISTRICT COURTS LOCATED IN THE STATE, COUNTY, OR JUDICIAL DISTRICT IN WHICH THE FRANCHISOR'S PRINCIPAL PLACE OF BUSINESS IS LOCATED (CURRENTLY, IRVINE, CALIFORNIA) AND HEREBY WAIVE ALL QUESTIONS OF PERSONAL JURISDICTION FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. YOU AND WE AGREE THAT SERVICE OF PROCESS MAY BE MADE UPON ANY SUCH PARTY IN ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY DELAWARE OR FEDERAL LAW. FRANCHISEE AND THE OWNERS FURTHER AGREE THAT VENUE FOR ANY SUCH PROCEEDING SHALL BE THE COUNTY OR JUDICIAL DISTRICT IN WHICH FRANCHISOR'S PRINCIPAL PLACE OF BUSINESS IS LOCATED; PROVIDED, THAT FRANCHISOR MAY BRING ANY ACTION (i) FOR MONIES OWED, (ii) FOR INJUNCTIVE OR OTHER EXTRAORDINARY RELIEF OR (iii) INVOLVING POSSESSION OR DISPOSITION OF, OR OTHER RELIEF RELATING TO, REAL PROPERTY, THE MARKS, OR THE CONFIDENTIAL INFORMATION, IN ANY STATE OR FEDERAL DISTRICT COURT WHICH HAS JURISDICTION.

H. <u>GOVERNING LAW</u>. EXCEPT TO THE EXTENT GOVERNED BY THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 *ET SEQ.*) OR OTHER FEDERAL LAW, THIS AGREEMENT, THE FRANCHISE, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN US AND YOU WILL BE GOVERNED BY AND INTERPRETED AND CONSTRUED UNDER DELAWARE LAW (EXCEPT FOR DELAWARE CONFLICT OF LAW RULES).

I. <u>PARTIES' ACKNOWLEDGMENTS</u>. YOU AND WE ACKNOWLEDGE THAT THE AGREEMENTS REGARDING APPLICABLE STATE LAW AND FORUM SET FORTH ABOVE PROVIDE EACH OF US WITH THE MUTUAL BENEFIT OF UNIFORM INTERPRETATION OF THIS AGREEMENT AND ANY DISPUTE ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT. YOU AND WE FURTHER ACKNOWLEDGE THE RECEIPT AND SUFFICIENCY OF MUTUAL CONSIDERATION FOR SUCH BENEFIT.

J. <u>WAIVER OF PUNITIVE DAMAGES</u>. EXCEPT WITH RESPECT TO YOUR OBLIGATION TO INDEMNIFY US PURSUANT TO <u>SECTION 16</u> AND CLAIMS WE BRING AGAINST YOU FOR YOUR UNAUTHORIZED USE OF THE MARKS OR UNAUTHORIZED USE OR DISCLOSURE OF ANY CONFIDENTIAL INFORMATION, WE AND YOU AND YOUR OWNERS WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN YOU AND US, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

K. LIMITATIONS OF CLAIM. EXCEPT FOR CLAIMS ARISING FROM YOUR NON PAYMENT OR UNDERPAYMENT OF AMOUNTS OWED TO US PURSUANT TO THIS AGREEMENT AND CLAIMS WE BRING WITH REGARD TO YOUR OBLIGATIONS TO INDEMNIFY US PURSUANT TO SECTION 16, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE RELATIONSHIP BETWEEN YOU AND US PURSUANT TO THIS AGREEMENT WILL BE BARRED UNLESS AN ACTION IS COMMENCED WITHIN TWO YEARS FROM THE DATE ON WHICH THE ACT OR EVENT GIVING RISE TO THE CLAIM OCCURRED, OR TWO YEARS FROM THE DATE ON WHICH YOU OR WE KNEW OR SHOULD HAVE KNOWN, IN THE EXERCISE OF REASONABLE DILIGENCE, OF THE FACTS GIVING RISE TO SUCH CLAIMS, WHICHEVER OCCURS FIRST.

L. JURY WAIVER. YOU AND WE HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVE ANY RIGHT TO A JURY TRIAL IN ANY ACTION ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, THE RELATIONSHIP CREATED BY THIS AGREEMENT, OR ANY OTHER AGREEMENTS BETWEEN YOU AND US OR YOUR AND OUR RESPECTIVE AFFILIATES. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS WRITTEN CONSENT TO A TRIAL BY THE COURT.

M. Costs And Attorneys' Fees. If we incur expenses in connection with your failure to pay when due amounts owed to us, or to submit when due any reports, information or supporting records, or otherwise to comply with this Agreement, you must reimburse us for any of the costs and expenses which we incur, including, without limitation, accounting, attorneys', arbitrators', and related fees.

N. Binding Effect. This Agreement is binding upon us and you and your and our respective executors, administrators, heirs, beneficiaries, assigns, and successors in interest.

O. Modification of Agreement. Except for those changes permitted to be made unilaterally by us hereunder, no amendment, change, or variance from this Agreement shall be binding on either you or us unless mutually agreed to and executed by our and your authorized officers or agents in writing. Notwithstanding the foregoing, no such changes in this or any related agreement is intended to disclaim the representations we made in the franchise disclosure document that we furnished you.

P. Consents And Approvals. Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed or effected actions that require our approval.

Q. Owners. If two or more persons are at any time the "franchisee" under this Agreement, whether as partners or joint venturers, their obligations and liabilities to us are joint and several.

R. Counterpart Execution. This Agreement may be executed in multiple counterparts, each of which when so executed shall be an original, and all of which shall constitute one and the same instrument.

S. Headings. The captions used in connection with the articles, sections, and subsections of this Agreement are inserted only for purpose of reference. Such captions shall not be deemed to govern, limit, modify, or in any other manner affect the scope, meaning, or intent of the provisions of this Agreement or any part thereof nor shall such captions otherwise be given any legal effect.

T. Survival. Any obligation of you or the Owners that contemplates performance of such obligation after termination or expiration of this Agreement or the transfer of any interest in you, shall be deemed to survive such termination, expiration, or transfer. Without limitation of the foregoing, the provisions of Sections 20.F., G., and H. will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.

U. Gender. All references herein to the masculine, neuter, or singular shall be construed to include the masculine, feminine, neuter, or plural, where applicable.

V. Remedies Cumulative. All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure, or default or threatened breach, failure, or default of any term, provision or condition of this Agreement or any other agreement between you or any of your Affiliates, and us or any of our Affiliates. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof, and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, earlier termination, or exercise of our rights pursuant to Section 18 shall not discharge or release you or any of the Owners from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination, or the exercise of such rights under this Agreement.

W. No Third Party Beneficiary. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than you, us, our officers, directors, and personnel and such of your and our respective successors and assigns as may be contemplated (and, as to you, authorized by Section 15), any rights or remedies under or as a result of this Agreement.

X. Further Assurances. You and we will promptly execute and deliver such further documents and take such further action as may be necessary in order to effectively carry out the intent and purposes of this Agreement.

Y. Agreement Effective Upon Execution by Us. This Agreement shall not become effective until signed by one of our authorized representatives.

Z. Entire Agreement. This Agreement, the documents referred to herein, and the preambles, exhibits, and attachments hereto constitute the entire, full, and complete agreement between us, you, and your Owners concerning the subject matter hereof and will supersede all prior related agreements; provided, however, that nothing in this or any related agreement is intended to disclaim the representations we made in the franchise disclosure document that we furnished you.

[Signatures Appear on Following Page]

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by its duly authorized representative as of the date first written above.

FRANCHISOR:

____

By:___________________________________
Name:_________________________________
Title:_________________________________

FRANCHISEE:

____

By:___________________________________
Name:_________________________________
Title: ________________________________

SCHEDULE A

KEY COMMERCIAL TERMS

#	Item	Details
1.	Franchisor	Paradise Franchising Group USA, LLC, a limited liability company organized and existing under the laws of Delaware, with its principal address at 2525 Main Street Suite 107, Irvine, CA 92614, USA. Notice Address: Paradise Franchising Group USA, LLC 2525 Main Street Suite 107 Irvine, CA 92614, USA Attn: Hew Woong Yong Email: woongyong@paradisegroup.com.sg Tel: +1 949 932 028
2.	Franchisee	____________, a ________ organized and existing under the laws of ________, with its principal address at ______________________. Notice Address:
3.	Effective Date	________, 20___
4.	Licensed Brand	____ "BEAUTY IN THE POT" ____ "CANTON PARADISE" ____ "LENU" ____ "LE SHRIMP RAMEN" ____ "LÉTEN" ____ "PARADISE CLASSIC" **____"PARADISE DYNASTY"** ____ "PARADISE GROUP CATERING" ____ "PARADISE HOTPOT" ____ "PARADISE TEOCHEW" ____ "PARATHAI" ____ "SEAFOOD PARADISE" ____ "TASTE PARADISE"
5.	Brand	The restaurants operated under the Licensed Brand and the System pursuant to this Agreement, including all assets used in connection with

	Restaurant	their operation, which feature the sale of: ____ For Beauty in the Pot: "__________________________." ____ For Canton Paradise: "__________________________." ____ For LeNu: "__________________________." ____ For Le Shrimp Ramen: "__________________________." ____ For LéTen: "__________________________." ____ For Paradise Classic: "__________________________." **____ For Paradise Dynasty: "signature xiao long bao filled with distinctive flavors, and other signature delicacies."** ____ For Paradise Group Catering: "__________________________." ____ For Paradise Hotpot: "__________________________." ____ For Paradise Teochew: "__________________________." ____ For ParaThai: "__________________________." ____ For Seafood Paradise: "__________________________." ____ For Taste Paradise: "__________________________."
6.	Other Brands	"Beauty in the Pot", "Canton Paradise", "LeNu", "Le Shrimp Ramen", "LéTen", "Paradise Classic", ["Paradise Dynasty",] "Paradise Group Catering", "Paradise Hotpot", "Paradise Teochew", "ParaThai", "Seafood Paradise", and "Taste Paradise"
7.	Term	Unless sooner terminated as provided in this Agreement, the Term will begin on the Effective Date and will continue until 6 years from the Opening Date.
8.	Renewal	You may renew your rights under this Agreement for one additional 5 years renewal term, subject to your satisfaction of the conditions for renewal as set forth in this Agreement. Without limiting the criteria for renewal, the renewal fee is $________________________.
9.	Initial Franchise Fee	$500,000 upon the execution of this Agreement; provided , however, if you you sign this Agreement pursuant to and in accordance with the terms and conditions of the Development Agreement under which you have paid a Development Fee, then the amount of such Development Fee will be credited against the Initial Franchise Fee under this Agreement.
10.	Opening Fee	$100,000 prior to commencement of business at the second (2nd) Brand Restaurant and $80,000 for each subsequent Brand Restaurant that you develop. However, if is the second (2nd) or subsequent Brand Restaurant that you (or your affiliate) develop, you will pay us an initial franchise fee of $80,000.
11.	Royalty Fee	5% of the Brand Restaurant's Gross Sales for the immediately preceding month.

12.	Advertising Fund and Local Advertising	During each calendar year throughout the Term, you must spend up to [__]% of your Brand Restaurant's Gross Sales on advertising. Currently, you are required to spend [2]% of your Brand Restaurant's Gross Sales on local advertising and contribute [__]% of your Brand Restaurant's Gross Sales to the Advertising Fund
13.	Amount of the Standby Letter of Credit	Initial Letter of Credit: [US$_____ with personal guaranty(ies), US$_______ without personal guaranty(ies)] We will notify you of the amount on or before seventy-five (75) days prior to the scheduled expiration date of the then existing Letter of Credit, provided that, if we do not notify you as provided, the amount of any renewal/replacement Letter of Credit will be for the same amount as the preceding Letter of Credit until such time as we notify you of a different Amount.
14.	Insurance	You must maintain these policies in full force and effect at all times during the Term: (1) Comprehensive general liability insurance, including broad form contractual liability, broad form property damage, personal injury, advertising injury, dram shop liability, completed operations, products liability and fire damage coverage, in the amount of $3,000,000 combined single limit per occurrence, $3,000,000 general aggregate. (2) "All Risks" coverage for the full cost of replacement of the Brand Restaurant premises and all other property in which we may have an interest with no coinsurance clause for the premises. (3) Automobile liability coverage, including coverage of owned, non-owned and hired vehicles, with coverage in amounts not less than $3,000,000 combined single limit. (4) if we authorize the sale of alcoholic beverages at the Brand Restaurant at any time during the Term, alcoholic beverage/liquor liability insurance, with coverage in amounts not less than $3,000,000 combined single limit. (5) An "umbrella" policy providing excess coverage with limits of not less than $5,000,000, which must be excess to any alcoholic beverage liability, general liability, employment practices liability, and automobile liability coverage required herein. (6) Business interruption insurance covering at least 24 months of loss of profits and necessary continuing expenses for interruptions caused by any occurrence covered by the insurance referred to in (1) and (2) above and your royalty and advertising fund contribution, calculated on the basis of the Gross Sales used as the basis for calculation of the business interruption insurance award. Such business interruption insurance shall be written on an all risks form, either as an endorsement to the policies described in (1) and (2) above or on a separate policy. (7) Worker's compensation insurance in amounts required by applicable law and employment practices liability insurance covering all of your employees. (8) Such other insurance as may be required by the landlord of

		the premises at, and by the state or locality in, which the Brand Restaurant is located.
15.	Competitive Business	____ For Beauty in the Pot: "__________________________." ____ For Canton Paradise: "__________________________." ____ For LeNu: "__________________________." ____ For Le Shrimp Ramen: "__________________________." ____ For LéTen: "__________________________." ____ For Paradise Classic: "__________________________." ____ For Paradise Dynasty: Any business which prepares, offers or sells as a primary menu item, or mix of menu items, Chinese cuisine or Asian food (including, without limitation, Chinese, Japanese, Thai, and Korean-style food items), or related menu items (including, without limitation, *xiao long bao* and *la mian)*, products, or services now or in the future offered to consumers for dine-in or take-out consumption and sold by Brand Restaurants. ____ For Paradise Group Catering: "__________________________." ____ For Paradise Hotpot: "__________________________." ____ For Paradise Teochew: "__________________________." ____ For ParaThai: "__________________________." ____ For Seafood Paradise: "__________________________." ____ For Taste Paradise: "__________________________."
16.	Key Restaurant Personnel	**Service** 1x Restaurant General Manager 1x Assistant Restaurant General Manager **Kitchen** 1x Head Wok 1x Wok 2 1x Head Cutter 1x Head Dim Sum 2x Dim Sum 1
17.	Duration and Location of Training for Key Restaurant Personnel	2 months. At a location designated by the Franchisor.

EXHIBIT A

OWNERS' GUARANTY AND ASSUMPTION AGREEMENT

This Guaranty and Assumption Agreement ("**Guaranty**") is given this _______ day of 20__, by the undersigned in connection with the Franchise Agreement dated _______________, 20__ between Paradise Franchising Group USA, LLC ("**Franchisor**") and __________________ ("**Franchisee**").

In consideration of, and as an inducement to, the execution of the Franchise Agreement by Franchisor, each of the undersigned and any other parties who sign counterparts of this Guaranty (individually, "**Guarantor**" and collectively, "**Guarantors**") hereby personally and unconditionally guarantee to Franchisor and its successors and assigns that Franchisee will punctually perform its obligations and pay all amounts due under the Franchise Agreement, including, without limitation, amounts due for initial franchise fees, royalties, advertising fund contributions, and purchases of equipment, materials, and supplies.

Each Guarantor waives:

(i) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; and

(ii) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; and

(iii) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; and

(iv) any right he or she may have to require that an action be brought against Franchisee or any other person as a condition of liability; and

(v) all rights to payments and claims for reimbursement or subrogation which he or she may have against Franchisee arising as a result of his or her execution of and performance under this Guaranty (including by way of counterparts); and

(vi) any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each Guarantor consents and agrees that:

(i) his or her direct and immediate liability under this Guaranty will be joint and several not only with Franchisee, but also among the Guarantors; and

(ii) he or she will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; and

(iii) such liability will not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person. This Guaranty is a guaranty of payment, not of collection; and

(iv) such liability will not be diminished, relieved, or otherwise affected by any subsequent rider or amendment to the Franchise Agreement or by any extension of time, credit, or other indulgence that Franchisor may from time to time grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable throughout the term of the Franchise Agreement and for so long thereafter as there are any monies or obligations owing by Franchisee to Franchisor under the Franchise Agreement; and

(v) Franchisee's written acknowledgment, accepted in writing by Franchisor, or the judgment of any court or arbitration panel of competent jurisdiction establishing the amount due from Franchisee will be conclusive and binding on the undersigned as Guarantors.

Each Guarantor also makes all of the covenants, representations, warranties and agreements of the Owners set forth in the Franchise Agreement and is obligated to perform thereunder, including, without limitation, under Sections 7, 11, 15, 16, and 19 and Sections 20.F. through M. (which include, among other things, the mediation of disputes). THESE INCLUDE A NUMBER OF PROVISIONS THAT MAY AFFECT THE LEGAL RIGHTS OF THE UNDERSIGNED, INCLUDING A WAIVER OF JURY TRIAL, WAIVER OF PUNITIVE OR EXEMPLARY DAMAGES, AND LIMITATIONS ON WHEN CLAIMS MAY BE RAISED.

If Franchisor is required to enforce this Guaranty in an administrative, judicial, or arbitration proceeding, if Franchisor prevails, Franchisor will be entitled to reimbursement of its costs and expenses, including, but not limited to, legal and accounting fees and costs, administrative, arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of an administrative, judicial, or arbitration proceeding, and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding. If Franchisor is required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, Guarantors will reimburse Franchisor for any of the above-listed costs and expenses incurred by it.

IN WITNESS WHEREOF, each Guarantor has hereunto affixed his signature on the same day and year as the Franchise Agreement was executed.

GUARANTORS

____
Name: ___________________________________

____
Name: ___________________________________

____
Name: ___________________________________

____
Name: ___________________________________

EXHIBIT B

CONFIDENTIALITY AND NONCOMPETITION / NONSOLICITATION AGREEMENT

This Agreement is made and entered into this ____ day of ________________, 20__, between ____________________ ("**Franchisee**") and ______________________ ("**Covenantor**" or "**you**") in connection with a franchise agreement between Paradise Franchising Group USA, LLC ("**Franchisor**") and Franchisee dated _________, 20__ ("**Franchise Agreement**"). Initially capitalized terms used, but not defined in this Agreement, have the meanings given to them in the Franchise Agreement.

RECITALS

Franchisor has the right to use and license the use of a System for the establishment and operation of Brand Restaurants.

The System is identified by certain Marks including, the mark "PARADISE DYNASTY" and includes certain Confidential Information which provides economic advantages to Franchisor and licensed users of the System.

Franchisor has granted Franchisee the limited right to operate Brand Restaurant pursuant to the Franchise Agreement.

You are employed by or associated with Franchisee, and it will be necessary for you to have access to some or all of the Confidential Information.

Franchisor and Franchisee have agreed on the importance of restricting the use, access, and dissemination of the Confidential Information, and Franchisee therefore has agreed to obtain from you a written agreement protecting the Confidential Information and further protecting the System against unfair competition.

You acknowledge that receipt of and the right to use the Confidential Information constitutes independent valuable consideration for the representations, promises, and covenants made by you herein.

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

AGREEMENT

Confidentiality Agreement

1. You shall, at all times, maintain the confidentiality of the Confidential Information and shall use such Confidential Information only in the course of your employment by or association with Franchisee in connection with the operation of Brand Restaurants under the Franchise Agreement.

2. You shall not at any time make copies of any documents or compilations containing some or all of the Confidential Information without Franchisor's express written permission.

3. You shall not at any time disclose or permit the disclosure of the Confidential Information except to Franchisee's other authorized employees and only to the limited extent necessary to train or assist such other employees in the operation of the Brand Restaurant.

4. You shall surrender any material containing some or all of the Confidential Information to Franchisee or Franchisor, upon request, or upon termination of your employment by or association with Franchisee.

5. You shall not at any time, directly or indirectly, do any act or omit to do any act that would or would likely be injurious or prejudicial to the goodwill associated with the System.

6. You acknowledge that Franchisee is provided with access to Manuals for limited purposes only and remain Franchisor's property. You agree that no Manuals may be reproduced, in whole or in part, without Franchisor's written consent.

Covenants Not to Compete

In order to protect the goodwill of the System, and in consideration for the disclosure of the Confidential Information to you, you agree that, during the term of your association with or employment by Franchisee, and for a period of one year following the earlier of (i) the termination thereof, or (ii) the termination, expiration, or transfer of Franchisee's interest in the Franchise Agreement, you will not, without Franchisor's prior written consent or as permitted under other valid Franchise Agreements for Brand Restaurants between Franchisee or its Affiliates and Franchisor:

a. Directly or indirectly divert, or attempt to divert any business opportunity or customer of Brand Restaurants to any competitor;

b. Directly or indirectly, for yourself or through, on behalf of, or in conjunction with any other person, persons, partnership, corporation, limited liability company, or other association or entity, own, maintain, operate, engage in or have any financial or beneficial interest in, advise, assist or make loans to, Competitive Business which is, or is intended to be, located (i) at the Location, or (ii) within the Protected Area, or (iii) within a 20-mile radius of the Location; and or (iv) within a 20-mile radius of any Brand Restaurant then in existence or under construction;

c. The time periods relating to the obligations set forth in this Agreement will be tolled during any period of noncompliance.

Franchisee's Undertaking

Franchisee agrees to make all commercially reasonable efforts to ensure that you act as required by this Agreement.

Miscellaneous

1. You agree that:

a. Each of the covenants herein contain reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill of the System or Franchisor's other business interests.

b. Each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which Franchisor is a party, you agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

c. In the event of a breach of this Agreement, Franchisor and Franchisee would be irreparably injured and without an adequate remedy at law and, therefore, upon any such breach or attempted breach of any provision hereof, you agree that Franchisor and/or the Franchisee shall be entitled, in addition to any other remedies which Franchisor or it may have at law or in equity, to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security.

2. You agree to pay all expenses (including court costs and reasonable attorneys' fees and costs) incurred by Franchisor and/or Franchisee in enforcing this Agreement.

3. Any failure by Franchisor or Franchisee to object to or take action with respect to any breach of any provision of this Agreement by you shall not operate or be construed as a waiver of or consent to that breach of any subsequent breach by you.

4. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT REFERENCE TO DELAWARE CONFLICT OF LAW PRINCIPLES. YOU HEREBY IRREVOCABLY SUBMITS YOURSELF TO THE JURISDICTION OF THE STATE AND FEDERAL DISTRICT COURTS LOCATED IN THE STATE, COUNTY OR JUDICIAL DISTRICT IN WHICH FRANCHISOR'S PRINCIPAL PLACE OF BUSINESS IS LOCATED (CURRENTLY, [IRVINE, CALIFORNIA]). YOU HEREBY WAIVE ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. YOU HEREBY AGREE THAT SERVICE OF PROCESS MAY BE MADE UPON YOU IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY DELAWARE OR FEDERAL LAW. YOU FURTHER AGREE THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE THE COUNTY OR JUDICIAL DISTRICT IN WHICH FRANCHISOR'S PRINCIPAL PLACE OF BUSINESS IS LOCATED; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION WHICH INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR OR FRANCHISEE MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE WHICH HAS JURISDICTION.

5. YOU AND FRANCHISEE HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVE ANY RIGHT TO A JURY TRIAL IN ANY ACTION ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT AND THE RELATIONSHIP CREATED BY THIS AGREEMENT. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS WRITTEN CONSENT TO A TRIAL BY THE COURT.

6. This Agreement contains the entire agreement of the parties regarding the subject matter hereof. This Agreement may be modified only by a duly authorized writing executed by all parties.

7. Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by expedited delivery service or certified or registered mail, return receipt requested, first-class postage prepaid, or sent by facsimile or electronic mail to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other parties.

If directed to Franchisor, the notice shall be addressed to:

Paradise Franchising Group USA, LLC
2525 Main Street Suite 107
Irvine, CA 92614, USA
Attn: Hew Woong Yong
Email: woongyong@paradisegroup.com.sg
Tel: +1 949 932 028

If directed to Franchisee, the notice shall be addressed to:

____

____
____
Attention:________________________

If directed to Covenantor, the notice shall be addressed to:

____
____
____
Attention:________________________

Any notice shall be deemed to have been given at the time of personal delivery or, in the case of expedited delivery service on the next Business Day, or, in the case of or registered or certified mail, three Business Days after the date and time of mailing, or, in the case of facsimile or electronic mail, upon transmission (provided confirmation is sent by expedited delivery service or registered or certified mail).

8. Franchisor and its successors and assigns are third-party beneficiaries of this Agreement, with the full and independent right, at their option and in their sole discretion, to enforce this Agreement. Franchisor's rights and remedies under this Agreement are fully assignable and transferable and shall inure to the benefit of Franchisor's Affiliates, successors, and assigns. Your obligations and those of the Franchisee may not be assigned without Franchisor's prior written consent.

IN WITNESS WHEREOF, the undersigned have entered into this Agreement as witnessed by their signatures below.

FRANCHISEE:	**COVENANTOR:**
By: ____________________________________	_______________________________________
[Name], [Title]	[Name], an Individual

EXHIBIT C

SELECTED TERMS:
DESIGNATED AREA, LOCATION,
PROTECTED AREA, AND OPENING DATE

1. DESIGNATED AREA:

   The Designated Area is: ____

2. LOCATION:

   The Brand Restaurant will be located at the following address: ____________________________ _______

3. PROTECTED AREA:

   The Protected Area is: The geographic area within a __________ mile radius around the Location.

4. OPENING DATE: The Opening Date of the Brand Restaurant is _____________, 20__.

EXHIBIT D

OWNERSHIP AND MANAGEMENT INFORMATION

1. The following is a list of all shareholders, partners, members, or other investors owning a direct or indirect interest in you and a description of the nature of their interest:

NAME	OWNERSHIP INTEREST IN YOU	NATURE OF INTEREST

2. Your Operating Principal is: ____

3. Your Key Restaurant Personnel are:

____

____

____

EXHIBIT E

ELECTRONIC FUNDS TRANSFER
AUTHORIZATION TO HONOR CHARGES DRAWN BY AND PAYABLE TO

Paradise Franchising Group USA, LLC/**PAYEE**

BANK NAME	ACCOUNT #	ABA#	FEIN
____________________________	______________	______________	______________

The undersigned Depositor hereby authorizes and requests the Depository designated below to honor and to charge to the following designated account, checks, and electronic debits (collectively, "debits") drawn on such account which are payable to the above named Payee. It is agreed that Depository's rights with respect to each such debit shall be the same as if it were a check drawn and signed by the Depositor. It is further agreed that if any such debit is not honored, whether with or without cause and whether intentionally or inadvertently, Depository shall be under no liability whatsoever. This authorization shall continue in force until Depository and Payee have received at least thirty (30) days written notification from Depositor of its termination.

The Depositor agrees with respect to any action taken pursuant to the above authorization:

(1) To indemnify the Depository and hold it harmless from any loss it may suffer resulting from or in connection with any debit, including, without limitation, execution and issuance of any check, draft or order, whether or not genuine, purporting to be authorized or executed by the Payee and received by the Depository in the regular course of business for the purpose of payment, including any costs or expenses reasonably incurred in connection therewith.

(2) To indemnify Payee and the Depository for any loss arising in the event that any such debit shall be dishonored, whether with or without cause and whether intentionally or inadvertently.

(3) To defend at Depositor's own cost and expense any action which might be brought by a depositor or any other persons because of any actions taken by the Depository or Payee pursuant to the foregoing request and authorization, or in any manner arising by reason of the Depository's or Payee's participation therein.

Name of Depository: ____

Name of Depositor: ____

Designated Bank Acct.: ____
(Please attach one voided check for the above account.)

Brand Restaurant Location: ____

Brand Restaurant #: ____

For information call: ____

Address: ____

Phone #: ____

Fax #: ____

____
Name of you/Depositor (please print)

By: ____
Signature and Title of Authorized Representative

Date: ____

EXHIBIT F

LEASE ADDENDUM TERMS

(a) Landlord acknowledges that Tenant is a franchisee of Paradise Franchising Group USA, LLC, a Delaware limited liability company ("**we**," "**us**," or "**our**"), and that the Brand Restaurant located at the Premises ("**Unit**") is operated under the Brand Restaurant franchise system, pursuant to a franchise agreement ("**Franchise Agreement**") between Tenant and us. Landlord consents to Tenant's use at the Premises of such marks and signs, décor items, color schemes, and related components of the Brand Restaurant system as we may prescribe for the Unit. During the term of the Franchise Agreement, the Premises may be used only for the operation of the Unit.

(b) Landlord agrees to furnish to us copies of any and all letters and notices sent to Tenant pertaining to the Lease and the Premises at the same time that such letters and notices are sent to Tenant. Without limiting the foregoing, in the event of any default by Tenant, Landlord shall give us written notice of such default. If Tenant has failed to cure such default at the expiration of the applicable cure period, Landlord shall give us further written notice of such failure ("**Franchisor Notice**"). Following our receipt of Franchisor Notice, we shall have the right (but not the obligation) to cure Tenant's default before Landlord shall exercise any of Landlord's remedies arising as a consequence of Tenant's default. Any such cure shall be effected within 15 days following our receipt of Franchisor Notice. Any cure by us shall not be deemed to be an election to assume the terms, covenants, obligations, and conditions of the Lease.

(c) If we cure Tenant's default, or if we notify Landlord that the Franchise Agreement has been terminated (which termination shall constitute a non-curable default pursuant to the Lease upon Landlord's receipt of our notice thereof), Landlord agrees, upon our written request, to assign to us any and all rights that Landlord may have under the Lease to remove and evict Tenant from the Premises and shall cooperate with us in order to pursue such action to a conclusion.

(d) If we cure Tenant's default or notify Landlord of the termination of the Franchise Agreement, we shall have the right and option, upon written notice to Landlord, to do the following:

1. Undertake to perform the terms, covenants, obligations and conditions of the Lease on behalf of the Tenant (notwithstanding any removal or eviction of Tenant) for a period not to exceed six months from the first date of any cure by us; or

2. At any time within or at the conclusion of such six-month period, assume the terms, covenants, obligations, and conditions of the Lease for the remainder of the term, together with any applicable renewal options. In such event, Landlord and we shall enter into an agreement to document such assumption. We are not a party to the Lease and shall have no liability under the Lease unless and until said Lease is assigned to, and assumed by, us as herein provided.

(e) If, during the six-month period set forth in section (d)(1) above or at any time after the assignment contemplated in section (d)(2), we shall notify Landlord that the franchise for the Unit is being granted to another Brand Restaurant franchisee, Landlord shall permit the assignment of the Lease to said franchisee without the payment of any fee or other cost requirement, provided that said franchisee meets Landlord's reasonable financial qualifications. Landlord shall not unreasonably withhold consent to such assignment. Thereafter, we shall be released from any and all further liabilities under the Lease. The parties agree to execute any commercially reasonable documents in furtherance of this section.

(f) Tenant will not assign the Lease or renew or extend the term thereof without the prior written consent of us, nor shall Landlord and Tenant amend or otherwise modify the Lease in any manner that could materially affect any of the foregoing requirements without our prior written consent.

(g) We shall have the right to enter the Premises to make any modification or alteration necessary to protect the Brand Restaurant system and 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. Landlord shall not be responsible for any expenses or damages arising from any such action by us. Tenant hereby releases, acquits, and discharges us and Landlord and our and Landlord's respective subsidiaries, Affiliates, successors, and assigns and the officers, directors, shareholders, partners, employees, agents, and representatives of each of them, from any and all claims, demands, accounts, actions, and causes of action, known or unknown, vested or contingent, which any of them may have, ever had, now has, or may hereafter have by reason of any event, transaction, or circumstance arising out of or relating to the exercise of our rights pursuant to the Addendum.

(h) All notices sent pursuant to this Addendum shall be sent in the manner set forth in the Lease, and delivery of such notices shall be effective as of the times provided for in the Lease. For purposes of notice under the Lease, our mailing address shall be 2525 Main Street Suite 107, Irvine, CA 92614, USA, Attn: Hew Woong Yong, Email: woongyong@paradisegroup.com.sg, which address may be changed by written notice to Landlord in the manner provided in the Lease.

STATE-SPECIFIC AMENDMENTS TO FRANCHISE AGREEMENT

AMENDMENT TO PARADISE FRANCHISING GROUP USA, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF CALIFORNIA

The Paradise Franchising Group USA, LLC Franchise Agreement between ________________ ("Franchisee" or "you") and Paradise Franchising Group USA, LLC ("Franchisor" or "us"), dated ____________, 20__ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

CALIFORNIA LAW MODIFICATIONS

1. The California Department of Financial Protection and Innovations requires that certain provisions contained in franchise documents be amended to be consistent with California law, including the California Franchise Investment Law, CAL. CORP. CODE Section 31000 et seq., and the California Franchise Relations Act, CAL. BUS. & PROF. CODE Section 20000 et seq. To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

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

b. The 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.).

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

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

2. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on ___________________, 20___.

FRANCHISOR:

Paradise Franchising Group USA, LLC,
a Delaware limited liability company

By: ____
Name:_______________________________________
Title:____

FRANCHISEE:

____

By: ____
Name:_______________________________________
Title:____

AMENDMENT TO PARADISE FRANCHISING GROUP USA, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF ILLINOIS

The Paradise Franchising Group USA, LLC Franchise Agreement between _________________ ("Franchisee" or "you") and Paradise Franchising Group USA, LLC ("Franchisor" or "us"), dated ____________, 20__ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

ILLINOIS LAW MODIFICATIONS

1. The Illinois Attorney General's Office requires that certain provisions contained in franchise documents be amended to be consistent with Illinois law, including the Franchise Disclosure Act of 1987, 815 ILCS 705/1 *et seq.* To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. Illinois Franchise Disclosure Act paragraphs 705/19 and 705/20 provide rights to You concerning nonrenewal and termination of this Agreement. If this Agreement contains a provision that is inconsistent with the Act, the Act will control.

b. Any release of claims or acknowledgments of fact contained in the Agreement that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act shall be void and are hereby deleted with respect to claims under the Act.

c. If this Agreement requires litigation to be conducted in a forum other than the State of Illinois, the requirement is void with respect to claims under the Illinois Franchise Disclosure Act.

d. If this Agreement requires that it be governed by a state's law, other than the State of Illinois, to the extent that such law conflicts with the Illinois Franchise Disclosure Act, Illinois law governing claims arising under the Act will control.

e. Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void. If this Agreement contains a provision that is inconsistent with the Act, the Act will control.

3. For info about obtaining a liquor license in Illinois, *see*: https://www.illinois.gov/ilcc/Pages/Forms-and-Applications.aspx

For info about obtaining TIPS certification in Illinois, *see*: https://www.tipscertified.com/tips-state-pages/illinois/

See: The Liquor Control Act of 1934, 235 ILCS 5/ (West 2018) for Illinois Dram Shop laws.

4. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Illinois Franchise Disclosure Act, with respect to each such provision,

are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

5. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on ____________________, 20___.

FRANCHISOR:

Paradise Franchising Group USA, LLC,
a Delaware limited liability company

By: ____
Name:_____________________________________
Title:______________________________________

FRANCHISEE:

____

By: ____
Name:_____________________________________
Title:____

AMENDMENT TO PARADISE FRANCHISING GROUP USA, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF NEW YORK

The Paradise Franchising Group USA, LLC Franchise Agreement between ________________ ("Franchisee" or "you") and Paradise Franchising Group USA, LLC ("Franchisor" or "us"), dated ____________, 20__ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

NEW YORK LAW MODIFICATIONS

1. The New York Department of Law requires that certain provisions contained in franchise documents be amended to be consistent with New York law, including the General Business Law, Article 33, Sections 680 through 695. To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

   a. If the Franchisee is required in the Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the General Business Law, regulation, rule or order under the Law, such release shall exclude claims arising under the New York General Business Law, Article 33, Section 680 through 695 and the regulations promulgated thereunder, and such acknowledgments shall be void. It is the intent of this provision that non-waiver provisions of Sections 687.4 and 687.5 of the General Business Law be satisfied.

   b. If the Agreement requires that it be governed by the law of a state, other than the State of New York, the choice of law provision shall not be considered to waive any rights conferred upon the Franchisee under the New York General Business Law, Article 33, Sections 680 through 695.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the New York General Business Law, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

3. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on ____________________, 20___.

FRANCHISOR:

Paradise Franchising Group USA, LLC,
a Delaware limited liability company

By: ______________________________________
Name: ____________________________________
Title: _____________________________________

FRANCHISEE:

____

By: ______________________________________
Name: ____________________________________
Title: ____

AMENDMENT TO PARADISE FRANCHISING GROUP USA, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF WASHINGTON

The Paradise Franchising Group USA, LLC Franchise Agreement between ________________ ("Franchisee" or "you") and Paradise Franchising Group USA, LLC ("Franchisor" or "us"), dated ____________, 20__ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

WASHINGTON LAW MODIFICATIONS

1. The Director of the Washington Department of Financial Institutions requires that certain provisions contained in franchise documents be amended to be consistent with Washington law, including the Washington Franchise Investment Protection Act, WA Rev. Code §§ 19.100.010 to 19.100.940 (1994). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

   a. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

   b. RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

   c. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

   d. A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

   e. Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

   f. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

g. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

h. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on ____________________, 20___.

FRANCHISOR:

Paradise Franchising Group USA, LLC,
a Delaware limited liability company

By: ________________________________
Name: ______________________________
Title: _______________________________

FRANCHISEE:

____

By: ________________________________
Name: ______________________________
Title: ____

Summary report: Litera Compare for Word 11.9.1.1 Document comparison done on 12/5/2024 12:06:38 PM	
Style name: FDDs	
Intelligent Table Comparison: Active	
Original DMS: iw://americas-bm.imanage.work/NA_DMS/419682392/8	
Modified DMS: iw://americas-bm.imanage.work/NA_DMS/429244659/1	
Changes:	
Add	74
~~Delete~~	13
~~Move From~~	0
Move To	0
Table Insert	0
~~Table Delete~~	0
Table moves to	0
~~Table moves from~~	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	87

EXHIBIT D

DEVELOPMENT AGREEMENT

PARADISE FRANCHISING GROUP USA, LLC
DEVELOPMENT AGREEMENT

____
DEVELOPER NAME

____
DEVELOPMENT AREA

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PARADISE FRANCHISING GROUP USA, LLC
DEVELOPMENT AGREEMENT
FOR

[LICENSED BRAND]

THIS DEVELOPMENT AGREEMENT ("Agreement") is made and entered into by and between PARADISE FRANCHISING GROUP USA, LLC, a Delaware limited liability company ("Franchisor") and [●], a [●] incorporated under the laws of [●] ("Developer") to be effective as of the ___ day of __________, 20__, (the "Effective Date," which is the date on which Franchisor executes this Agreement). Certain initially capitalized terms used frequently in this Agreement are defined in Attachment H.

RECITALS:

Franchisor has the right to use and license the use of a business system ("System") (further defined below) for the establishment and operation of Brand Restaurants.

The distinguishing characteristics of which include, without limitation, distinctive exterior and interior design, décor, color scheme, and furnishings; special recipes and menu items; uniform standards, specifications, policies, and procedures for operations; quality and uniformity of the products and services offered; procedures for inventory, management and financial control; training and assistance; and advertising and promotional programs, all of which we may change, improve, further develop, or otherwise modify from time to time.

The System is identified by certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including, but not limited to, the Licensed Brand and such other trade names, service marks, trademarks, logos, emblems and indicia of origin as are now designated, and may hereafter be designated by Franchisor in writing, for use in connection with the System ("Marks").

Franchisor licenses franchisees to use the Marks and the System to establish and operate Brand Restaurants under Franchise Agreements with Franchisor.

Developer wishes to obtain certain development rights to obtain and operate Brand Restaurants under Franchise Agreements with Franchisor in the Territory described in this Agreement;

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

1. GRANT

A. Grant of Rights. Franchisor hereby grants to Developer and Developer hereby accepts, the right and obligation to develop Brand Restaurants within the Territory, in accordance with the terms and conditions set forth in this Agreement. The development rights shall be exercised following satisfaction of the conditions set forth in Section 3.A. hereof and as provided in the Development Schedule.

B. Scope of Developer's Rights. Developer acknowledges and agrees that the rights granted hereunder pertain only to the development of Brand Restaurants and that this Agreement does not confer upon Developer a right or franchise to establish or operate any Brand Restaurant. This Agreement is intended by the parties to set forth the terms and conditions which, if fully satisfied by Developer, shall entitle Developer to enter into Franchise Agreements for the establishment and operation of Brand Restaurants within the Territory. This Agreement is not a franchise agreement and does not grant to

Developer any right or license to operate a Brand Restaurant or distribute goods or services, or any right to use or interest in the Marks. Developer further acknowledges and agrees that the rights and duties set forth in this Agreement are personal to Developer and that Franchisor has granted such rights in reliance on the representations and warranties of Developer and its Principals. Developer and its Principals have represented to Franchisor that they have entered into this Agreement for the purpose and with the intention to fully comply with the Brand Restaurant development obligations hereunder.

C. Retained Rights. Subject to Developer's full compliance with this Agreement and the full compliance by Developer and its affiliates with any other agreements between Developer or any of its affiliates and Franchisor or any of its affiliates, neither Franchisor nor any affiliate shall establish, or authorize any person or entity other than Developer or any of its affiliates to establish, a Brand Restaurant in the Territory during the term of this Agreement. Developer expressly agrees that Franchisor and its affiliates retain all other rights, including, without limitation, the right (i) to develop and establish other business systems using the Marks, or other names or marks, and to grant licenses to use those systems without providing any rights to Developer, (ii) to advertise and promote the System in the Territory, (iii) to operate, and license others to operate, Brand Restaurants under the Marks and the System at any location outside the Territory and in any Reserved Area and (iv) except for the restriction set forth in this Section 1.C. against the establishment of another Brand Restaurant in the Territory during the term hereof, to engage, directly or indirectly, at wholesale, retail or otherwise, in the production, distribution, license and sale of any and all cooking, food, nutrition or related accessories or other services and products, under the Marks, or under other names or marks, within and outside the Territory, through any method of distribution, including, but not limited to, mail order catalogs and the Internet regardless of the proximity to, or the competitive impact on, Developer's operations in the Territory.

2. FEES

A. Development Fee. *[Intentionally omitted.]*

B. Initial Franchise Fee. Developer or its Affiliates, as applicable, will be required to pay an initial franchise fee and initial opening fee in connection with the execution of Franchise Agreements pursuant to this Agreement.

C. Past Due Amounts; Acceptance and Application of Payments.

(1) Any payment not actually received by Franchisor on or before the due date shall be deemed overdue. Time is of the essence for all payments to be made by Developer to Franchisor. All unpaid obligations under this Agreement shall bear interest from the date due until paid at the lesser of eighteen percent (18%) per annum, or the maximum rate allowed by applicable law. No provision of this Agreement shall require the payment or permit the collection of interest in excess of the maximum rate allowed by applicable law. If for any reason interest in excess of the maximum rate allowed by applicable law shall be deemed charged, required or permitted, any such excess shall be applied as a payment to reduce any other amounts which may be due and owing hereunder, and if no such amounts are due and owing hereunder, then such excess shall be repaid to the party making the payment.

(2) Acceptance by Franchisor of any payments due subsequent to the due date shall not be deemed to be a waiver by Franchisor of any preceding breach by Developer or the Principals of any terms, provisions, covenants or conditions of this Agreement.

(3) Franchisor shall have the right to apply any payment it receives from Developer to any amounts Developer owes Franchisor or its affiliates under this Agreement or any other agreements

between them, even if Developer has designated the payment for another purpose or account. Franchisor may accept any check or payment in any amount from Developer without prejudice to Franchisor's right to recover the balance of the amount due or to pursue any other right or remedy. No endorsement or statement on any check or payment or in any letter accompanying any check or payment or elsewhere shall constitute or be considered as an accord or satisfaction.

(4) Developer shall have no right to withhold any payments due Franchisor on account of Franchisor's breach or alleged breach of this Agreement, and no right to offset any amount due Franchisor against any obligation that Franchisor may owe to Developer.

(5) Each payment to be made to Franchisor under this Agreement shall be made free and clear and without deduction for any Taxes.

3. SCHEDULE AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS

A. Franchise Agreement Execution; Compliance with Conditions.

1. Developer shall exercise the development rights granted hereunder only by entering into (or, with Franchisor's written consent, causing a majority-owned subsidiary of Developer to enter into) a separate Franchise Agreement with Franchisor for each Brand Restaurant for which a development right is granted. These franchise agreements shall also be included in the term "Franchise Agreement" as used in this Agreement and shall be executed by Developer or Developer's affiliate in accordance with this Section 3. The Franchise Agreement for the first Brand Restaurant to be developed by Developer or Developer's affiliate under this Agreement shall be in the form of the Franchise Agreement attached as Attachment C and shall be executed within ninety (90) days of the Effective Date of this Agreement. All subsequent Brand Restaurants developed under this Agreement shall be established and operated pursuant to the form of Franchise Agreement then being used by Franchisor for new franchisees of Brand Restaurants under the System, except that the initial franchise fee shall be determined as provided in Section 2.B. above, and the royalty and advertising fund expenditure percentages will be the same as those set forth in the Franchise Agreement attached as Attachment C to this Agreement.

2. Prior to exercising any development right granted hereunder, Developer shall apply to Franchisor for a franchise to operate a Brand Restaurant within the Territory. If Franchisor, in its sole discretion, determines that Developer has met each of the following operational, financial, and legal conditions, then Franchisor will grant Developer (or an approved affiliate of Developer) a franchise for a Brand Restaurant in the Territory:

(a) Operational Conditions: Developer is in compliance with the Development Schedule and this Agreement and Developer or its affiliates are in compliance with any other agreements between them and Franchisor or its affiliates. Developer is conducting the operation of its existing Brand Restaurants, if any, and is capable of conducting the operation of the proposed Brand Restaurant in accordance with the terms and conditions of this Agreement, the respective Franchise Agreements, and the standards, specifications, and procedures set forth and described in the Manuals (defined in the Franchise Agreement).

(b) Financial Conditions: Developer and the Principals satisfy Franchisor's then-current financial criteria for developers and principals of Brand Restaurants. Developer and the Principals have been and are faithfully performing all terms and conditions under each of the existing Franchise Agreements with Franchisor. Developer is not in default, and has not been in default during the twelve (12) months preceding Developer's request for financial approval, of any monetary obligations owed to Franchisor or its affiliates under any Franchise Agreement or other agreements between Developer or its affiliates and Franchisor or its affiliates. Developer acknowledges and agrees that it is vital to Franchisor's interest that each of its franchisees be financially sound to avoid failure of a Brand Restaurant and that such failure would adversely affect the reputation and good name of Franchisor and the System.

(c) Legal Conditions: Developer has submitted to Franchisor, in a timely manner, all information and documents requested by Franchisor as a basis for the issuance of individual franchises or pursuant to any right granted to Franchisor by this Agreement or by any Franchise Agreement.

B. Development Schedule. Acknowledging that time is of the essence, Developer agrees to exercise its development rights according to Section 3.A. and the Development Schedule set forth on Attachment G. Developer may, subject to the terms and conditions of this Agreement and with Franchisor's prior written consent, which may be withheld in its sole discretion, develop more than the total minimum number of Brand Restaurants which Developer is required to develop during any Development Period. Any Brand Restaurants in excess of the minimum number of Brand Restaurants required to be developed shall be applied to satisfy Developer's development obligation during the next succeeding Development Period, if any. Notwithstanding the above, Developer shall not open or operate more than the cumulative total number of Brand Restaurants Developer is obligated to develop under the Development Schedule.

1. If during the term of this Agreement, Developer ceases to operate any Brand Restaurant developed under this Agreement for any reason, Developer shall develop a replacement Brand Restaurant. The replacement Brand Restaurant shall be developed within a reasonable time (not to exceed one hundred eighty (180) days) after Developer ceases to operate the original Brand Restaurant. If, during the term of this Agreement, Developer transfers its interest in a Brand Restaurant in accordance with the terms of the applicable Franchise Agreement for the Brand Restaurant, the transferred Brand Restaurant shall continue to be counted in determining whether Developer has complied with the Development Schedule so long as it continues to be operated as a Brand Restaurant. If the transferred Brand Restaurant ceases to be operated as a Brand Restaurant during the term of this Agreement, Developer shall develop a replacement Brand Restaurant within a reasonable time (not to exceed one hundred eighty (180) days) thereafter.

2. Failure by Developer to adhere to the Development Schedule (including any extensions thereof approved by Franchisor in writing) or to any time period for the development of replacement Brand Restaurants shall constitute a material breach of this Agreement.

4. TERM

A. Term. This term of this Agreement will begin on the Effective Date and, unless sooner terminated or extended, will expire on the earlier of: (i) the date Developer has completed its development obligations under this Agreement, or (ii) 12:00 midnight on the sixth-year anniversary of the Effective Date.

B. Extension of Development Term. At the conclusion of the development term described in Section 4.A., if Developer is and has at all times been in compliance with this Agreement, including the Development Schedule, Developer will have the right to extend the term. The duration of such extension will depend on the number of units to be developed, but in no event will it exceed 10 years commencing on the day following the expiration date contemplated in Section 4.A. As conditions to such extension, Developer and Franchisor will enter into an amendment to this Agreement which will provide for a new mutually-agreeable development schedule and under which Developer will pay to Franchisor a supplemental development fee in an amount equal to one-half (1/2) of the then-current initial franchise fee payable by franchisees, multiplied by the number of new Brand Restaurants to be developed during the extended term pursuant to the new development schedule.

5. DUTIES OF FRANCHISOR

Franchisor agrees to provide, or cause to be provided, the services described below:

A. Site Selection Guidelines and Assistance. To assist Developer in its selection of sites for its Brand Restaurants, Franchisor will provide to Developer:

1. Franchisor's written site selection guidelines and such site selection assistance as Franchisor deems advisable.

2. Such on-site evaluation as Franchisor may deem necessary on its own initiative or in response to Developer's reasonable request for site selection assistance; provided, that Franchisor shall not provide an on-site evaluation for any proposed site prior to receiving all required information and materials prepared and submitted pursuant to Section 6.I., below and, in Franchisor's discretion, prior to receiving such information for multiple proposed sites. Franchisor will provide up to two (2) on-site evaluations for the first (1st) Brand Restaurant developed pursuant to this Agreement at no additional charge to Developer. If more than two (2) on-site evaluations are deemed appropriate by Franchisor, or are requested by Developer, for selecting a site for the first (1st) Brand Restaurant to be developed under this Agreement, then Franchisor may require Developer to pay Franchisor a reasonable fee for performing each such additional site evaluation and to pay or reimburse Franchisor for the amount of the reasonable expenses, including, without limitation, the cost of travel, lodging, and meals, incurred by Franchisor in conducting such on-site evaluation. Franchisor may require Developer to pay Franchisor a reasonable fee for any on-site evaluation and to pay or reimburse Franchisor's reasonable expenses incurred in conducting any on-site evaluation with respect to Developer's second (2nd) and subsequent Brand Restaurants.

B. Training. Training of Developer's Operating Principal and any General Manager (described below) will be in accordance with Section 6.I. of this Agreement. With Franchisor's prior written consent and subject to its then-current certification procedures, Franchisor may authorize Developer to implement a training program for other employees of the Brand Restaurants developed pursuant to this Agreement in accordance with Franchisor's then-current standards.

C. Manuals. Franchisor will provide Developer with access to one (1) set of Manuals for each Brand Restaurant to be developed hereunder.

D. Franchisor's Obligations. Developer acknowledges that it is relying solely on Franchisor, and not on any affiliated entities or parent companies related to Franchisor, with regard to Franchisor's financial and other obligations under this Agreement, and no employee or other person speaking on behalf of, or otherwise representing, Franchisor, has made any statement or promise to the effect that any affiliated entities or parent companies guarantee Franchisor's performance or financially back Franchisor.

6. DEVELOPER'S REPRESENTATIONS, WARRANTIES, COVENANTS AND OBLIGATIONS

A. Disclosure and Developer's Investigation.

(1) Developer acknowledges having received a complete copy of this Agreement and all related attachments and exhibits and a complete copy of Franchisor's franchise disclosure document required by the Federal Trade Commission's Franchise Trade Regulation Rule (16 C.F.R. Part 436) within the time period required by applicable law before Developer executed this Agreement or paid any consideration to Franchisor. Developer acknowledges that it did not rely on any promises, representations or agreements about the System or the franchise not expressly contained in this Agreement or Franchisor's franchise disclosure document in making its decision to sign this Agreement. Developer acknowledges that Franchisor and its representatives have not made any promises, representations or agreements, oral or written, except as expressly contained in this Agreement and the franchise disclosure document. Developer further acknowledges that Developer has read this Agreement and Franchisor's franchise disclosure document and that Developer understands the terms of this Agreement and accepts them as being reasonably necessary for Franchisor to maintain the uniformity of the Brand Restaurants and to protect the goodwill of the Marks and the integrity of the System.

(2) Developer has conducted an independent investigation of the business contemplated by this Agreement and recognizes that an investment in a Brand Restaurant involves business risks; that Developer's success is largely dependent on Developer's abilities and efforts; and that the nature of the Brand Restaurants may change over time. **Developer has not received or relied on any guaranty or assurance, express or implied, as to the revenues, profits or success of the business contemplated by this Agreement**.

(3) Developer understands and agrees that Franchisor may operate and change the System and Franchisor's business in any manner that is not expressly and specifically prohibited by this Agreement.

(4) Whenever Franchisor has expressly reserved in this Agreement, or is deemed to have, a right and/or discretion to take or withhold an action, or to grant or decline to grant Developer a right to take or withhold an action, then except as otherwise expressly and specifically provided in this Agreement, Franchisor may make its decision or exercise its right and/or discretion on the basis of Franchisor's judgment of what is in Franchisor's best interests, including, without limitation, Franchisor's judgment of what is in the best interests of Franchisor's franchise network, at the time Franchisor's decision is made or Franchisor's right or discretion is exercised, without regard to whether: (i) other reasonable alternative decisions or actions could have been made by Franchisor; (ii) Franchisor's decision or the action Franchisor takes promotes its financial or other individual interest; (iii) Franchisor's decision or the action Franchisor takes applies differently to Developer and one or more other franchisees or company-owned operations; or (iv) Franchisor's decision or the exercise of Franchisor's right or discretion is adverse to Developer's interests. In the absence of an applicable statute, Franchisor will have no liability to Developer for any such decision or action. Franchisor and Developer intend that the exercise of Franchisor's 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, Franchisor and Developer agree that such covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants Franchisor the right to make decisions, take actions and/or refrain from taking actions not inconsistent with Developer's rights and obligations hereunder.

B. Organization. If Developer is a corporation, partnership, limited liability company or other legal entity:

(1) Developer is duly organized and validly existing under the law of the state of its formation;

(2) Developer is duly qualified and is authorized to do business in each jurisdiction in which its business activities or the nature of the properties owned by it require such qualification;

(3) Developer's corporate charter or written partnership or limited liability company agreement shall at all times provide that the activities of Developer are confined exclusively to the activities described in this Agreement. Developer warrants and represents that neither Developer nor any of Developer's affiliates or Principals own, operate or have any financial or beneficial interest in any business that is the same as or similar to a Brand Restaurant;

(4) The execution of this Agreement and the performance of the transactions contemplated hereby are within Developer's corporate power, if Developer is a corporation, or if Developer is a partnership or a limited liability company, are permitted under Developer's written partnership or limited liability company agreement and have been duly authorized by Developer; and

(5) Developer has provided to Franchisor prior to the execution of this Agreement, and will from time to time during the term of this Agreement at Franchisor's request provide to Franchisor, copies of Developer's articles of incorporation and by-laws or, as applicable, Developer's written partnership or limited liability company agreement, other governing documents, any amendments to them, resolutions authorizing Developer's entry into and performance of this Agreement, and any certificates, buy-sell agreements or other documents restricting the sale or transfer of Developer's stock or other ownership interests and any other documents that Franchisor may reasonably request.

C. Ownership.

(1) If Developer is a corporation, partnership, limited liability company or other legal entity, the ownership interests in Developer are accurately and completely described in Attachment D. If Developer is a corporation, Developer shall maintain at all times a current list of all owners of record and all beneficial owners of any class of voting securities in Developer or, if Developer is a partnership, limited liability company or other form of legal entity, Developer shall maintain at all times a current list of all owners of an interest in the partnership, limited liability company or other entity. Developer shall make its list of owners available to Franchisor upon request.

(2) If Developer is a corporation, Developer shall maintain stop-transfer instructions against the transfer on its records of any of its equity securities and each stock certificate representing stock of the corporation shall have conspicuously endorsed upon it a statement in a form satisfactory to Franchisor that it is held subject to all restrictions imposed upon assignments by this Agreement. If Developer is a partnership or limited liability company, its written partnership or limited liability company agreement shall provide that ownership of an interest in the partnership or limited liability company is held subject to all restrictions imposed upon assignments by this Agreement.

D. Financial Matters.

(1) Developer has provided Franchisor with the most recent financial statements of Developer. Such financial statements present fairly the financial position of Developer as of the dates indicated therein and the results of its operations and its cash flow for the years then ended. Each of the financial statements are certified as true and correct and have been prepared in conformity with generally accepted accounting principles and, except as expressly described in the applicable notes, applied on a consistent basis. There are no material liabilities, adverse claims, commitments or obligations of any

nature, whether accrued, unliquidated, absolute, contingent or otherwise, which are not reflected as liabilities on the financial statements.

(2) The Principals that Franchisor designates shall jointly and severally guarantee the performance of Developer's obligations under this Agreement pursuant to the terms and conditions of the Principal's Guaranty and Assumption Agreement at Attachment A hereto, and shall otherwise bind themselves to the terms of this Agreement as stated herein.

(3) Developer shall provide Franchisor with any and all loan or other documents regarding the financing of the business contemplated hereby that Franchisor may request.

(4) Developer shall maintain at all times during the term of this Agreement sufficient working capital to fulfill its obligations under this Agreement.

E. Operating Principal; General Manager. Upon the execution of this Agreement, Developer shall designate, and shall retain at all times during the term of this Agreement, an individual to serve as Developer's Operating Principal. If Developer is an individual, Developer shall perform all obligations of the Operating Principal. The Operating Principal under this Agreement and under each Franchise Agreement executed pursuant hereto shall be the same individual. The Operating Principal shall, during the entire period he serves as such, meet the following qualifications and such other standards as may be set forth by Franchisor in the Manuals or otherwise in writing:

(1) The Operating Principal shall maintain a direct or indirect ownership interest of not less than ten percent (10%) in Developer. Except as may otherwise be provided in this Agreement, the Operating Principal's interest in Developer shall be and remain free of any pledge, mortgage, hypothecation, lien, charge, encumbrance, voting agreement, proxy, security interest or purchase right or options. The Operating Principal shall execute the Principals' Guaranty and Assumption Agreement attached hereto as Attachment A, and shall be individually, jointly and severally bound by all obligations of Developer, the Operating Principal and a Principal hereunder.

(2) Notwithstanding Section 6.E.(1), Developer may, at its option and subject to Franchisor's written consent, designate a General Manager to supervise the operation of the business contemplated by this Agreement; provided, that the General Manager under this Agreement and under each Franchise Agreement executed pursuant hereto is the same individual; and provided further, that Developer and its Operating Principal shall remain fully responsible for General Manager's performance. The General Manager shall execute the Confidentiality Agreement and Ancillary Covenants Not to Compete attached as Attachment B to this Agreement.

(3) Unless a General Manager is designated pursuant to Section 6.E.(2), Developer's Operating Principal shall devote full time and best efforts to the supervision of the business contemplated by this Agreement, and, without Franchisor's written consent, shall not engage in any other business. The foregoing provision shall not apply if a General Manager is designated, provided, the General Manager shall devote his or her full time and best efforts to the supervision and operation of the business contemplated by this Agreement.

(4) The Operating Principal and any General Manager shall meet Franchisor's qualifications, as set forth in this Agreement, the Manuals, or otherwise in writing and, without limitation, shall be empowered with full authority to act for and on behalf of Developer.

Developer must promptly notify Franchisor if the Operating Principal or any General Manager cannot continue to serve in that capacity or no longer qualifies as such, and must take corrective action within thirty (30) days thereafter. During such thirty (30) day period, Developer must provide for interim management of its operations in accordance with this Agreement. Any failure to comply with this Section 6.E. will be a material breach of this Agreement.

F. Legal Compliance. In addition to complying with Developer's obligations under this Agreement, Developer agrees to comply with all applicable federal, state and local laws, rules, regulations, ordinances, by-laws and orders. Such laws, rules, regulations, ordinances, by-laws and orders vary from jurisdiction to jurisdiction and may be amended or implemented or interpreted in a different manner from time to time. It is Developer's sole responsibility to apprise itself of the existence and requirements of all such laws, rules, regulations, ordinances, by-laws and orders, and to adhere to them at all times during the term of this Agreement. Without limiting the foregoing, Developer certifies that neither Developer nor any of Developer's Principals, employees, or anyone associated with Developer is listed in connection with any Anti-Terrorism Law, and Developer will not hire or have any dealings with a person so listed. Developer further certifies that Developer has no knowledge or information that, if generally known, would result in Developer, Developer's Principals, employees, or anyone associated with Developer being so listed. Developer will comply with and/or assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with the Anti-Terrorism Laws and, in connection with such compliance, Developer and Developer's Principals represent, covenant and warrant to Franchisor that, to the best of their knowledge, neither Developer nor any of Developer's Principals or managerial employees thereof is identified, either by name or an alias, pseudonym or nickname, on the lists of "Specially Designated Nationals" or "Blocked Persons" maintained by the U.S. Treasury Department's Office of Foreign Assets Control (texts currently available at www.treas.gov/offices/enforcement/ofac/). Further, Developer and Developer's Principals represent, covenant and warrant that, to the best of their knowledge, they have not violated and agree that they will not violate any law (in effect now or which may become effective in the future) prohibiting corrupt business practices, money laundering or the aid or support of persons or entities who conspire to commit acts of terror against any person or government, including acts prohibited by the laws of the United States, including the U.S. Patriot Act, Public Law No. 107-56 (text currently available at http://www.epic.org/privacy/terrorism/hr3162.html), U.S. Executive Order 13244, or similar law. The foregoing constitute continuing representations and warranties, and Developer shall notify Franchisor immediately in writing of the occurrence of any event or the development of any circumstance that might render the foregoing representation and warranty false, inaccurate or misleading. Developer is solely responsible for ascertaining what actions it must take to comply with all Anti-Terrorism Laws, and Developer specifically acknowledges and agrees that its indemnification responsibilities as provided in this Agreement pertain to its obligations under this Section 6.F. Any misrepresentation by Developer under this Section or any violation of the Anti-Terrorism Laws by Developer, its owners, or employees will constitute grounds for immediate terminate of this Agreement and any other agreement Developer has entered into with Franchisor or one of its affiliates.

G. Powers of Attorney. Developer hereby appoints Franchisor its true and lawful attorney-in-fact, with full power and authority to obtain any and all returns and reports related to the business operated pursuant to this Agreement that Developer files with any local, state or federal taxing authority. Such powers of attorney shall survive the expiration or termination of this Agreement and Developer shall execute such forms and documents as Franchisor deems necessary to appoint Franchisor its true and lawful attorney-in-fact with full power and authority for the foregoing purposes.

H. Training. Developer's Operating Principal and any General Manager shall successfully complete Franchisor's management training program within a reasonable period of time after the execution of this Agreement. Any successor or replacement Operating Principal or General Manager shall successfully complete Franchisor's management training program within a reasonable time after such persons are designated. Such persons, and any other personnel of Developer whom Franchisor may designate, shall attend and complete any additional training that Franchisor may from time to time require. Training shall be conducted at locations designated by Franchisor.

(1) Initial management training for Developer's Operating Principal and General Manager is provided at no additional charge; however, Franchisor reserves the right to charge a reasonable fee for training successor or replacement personnel and for any additional training programs. Developer shall be responsible for any and all expenses incurred in connection with any initial or additional training, including, without limitation, the costs of travel, lodging, meals and wages incurred by Developer, its Operating Principal, General Manager or other personnel attending training.

(2) If Developer's Operating Principal or General Manager fails, in Franchisor's sole judgment, to satisfactorily complete Franchisor's management training program, and Developer fails to cure such default within thirty (30) days following written notice from Franchisor, Franchisor may terminate this Agreement.

I. Site Selection and Opening. Developer assumes all cost, liability, expense and responsibility for locating, obtaining and developing a site within the Territory for each Brand Restaurant to be developed pursuant to this Agreement.

(1) Before signing a Franchise Agreement for a specific location or acquiring a site for a Brand Restaurant, Developer shall submit to Franchisor, in the form specified by Franchisor, a description of the site, evidence satisfactory to Franchisor demonstrating that the site satisfies Franchisor's site selection guidelines, and such other information and materials as Franchisor may reasonably require, including, but not limited to, copies of a proposed lease (which incorporates a rider in substantially the form attached hereto as Attachment F) or contract of sale for the site.

(2) Franchisor shall have thirty (30) days after receiving Developer's site information to accept or not accept, in its sole discretion, the proposed site as the location for the Brand Restaurant. No site may be used for a Brand Restaurant unless it is first accepted in writing by Franchisor, and Developer shall not make any binding commitment with respect to a site for a Brand Restaurant unless the site is first accepted in writing by Franchisor. If Franchisor accepts multiple sites for a Brand Restaurant, Developer shall notify Franchisor in writing within ten (10) days of the date of such acceptance of the specific site that Developer intends to acquire for the Brand Restaurant. Developer acknowledges that Franchisor's acceptance of a prospective site and the rendering of assistance in the selection of a site does not constitute a representation, promise, warranty or guarantee, express or implied, by Franchisor, that the Brand Restaurant operated at that site will be profitable or otherwise successful.

(3) Within ten (10) days following Franchisor's acceptance of the site for each Brand Restaurant, Developer shall execute a Franchise Agreement for such Brand Restaurant.

(4) Within fifteen (15) days following execution of the Franchise Agreement, Developer shall acquire the site by purchase or lease, at Developer's expense.

(5) Developer shall furnish to Franchisor a copy of the executed lease or contract of sale within ten (10) days after execution.

J. Internet Website. Developer agrees to install and maintain all hardware and software needed to access the Internet at the bit speed Franchisor requires from time to time. Developer further agrees that Developer will not establish any website or other listing on the Internet except as provided herein.

(1) Without Franchisor's prior written approval, which Franchisor may give or withhold in Franchisor's sole discretion, Developer may not develop, create, generate, own, or otherwise use any computer and/or electronic media (including but not limited to the Internet, bulletin boards, social networking sites (e.g., Facebook), and news groups) in connection with a Brand Restaurant.

(2) Developer agrees that Developer has no authority to, and Developer will not, register any domain name in any class or category that uses or creates any association with the Marks (including any abbreviation, acronym, phonetic variation or visual variation of the Marks) or the System without Franchisor's express prior written consent. Developer must obtain Franchisor's written approval for Developer's domain name prior to use. Developer's domain name must be registered in Franchisor's name and licensed to Developer by Franchisor. On termination or expiration of this Agreement, the license of the domain name to Developer will automatically terminate and Developer agrees to undertake all such actions that Franchisor requires to disassociate itself with the domain name.

K. Continuing Obligations. Developer and Developer's Principals make the foregoing representations, warranties and covenants understanding that such representations, warranties and covenants are continuing obligations. Developer agrees to cooperate with Franchisor to verify Developer's and Developer's Principals' continuing compliance with such representations, warranties and covenants. Any failure to comply with these representations, warranties and covenants will constitute a material event of default under this Agreement.

7. DEFAULT AND TERMINATION; POST TERMINATION OBLIGATIONS

A. Termination Without Notice or Cure. Developer shall be deemed to be in material default under this Agreement and all rights granted herein shall automatically terminate without notice to Developer if:

1. Developer becomes insolvent or makes a general assignment for the benefit of creditors or files a voluntary petition (or has an involuntary petition filed against it) under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state or admits in writing its inability to pay its debts when due;

2. Developer is adjudicated bankrupt or insolvent in proceedings filed against Developer under any section or chapter of federal bankruptcy law or any similar law or statute of the United States or any state;

3. A bill in equity or other proceeding for the appointment of a receiver of Developer or other custodian for Developer's business or assets is filed and consented to by Developer, or if a receiver or other custodian (permanent or temporary) of Developer's assets or property, or any part thereof, is appointed by any court of competent jurisdiction;

4. Proceedings for a composition with creditors under any state or federal law are instituted by or against Developer;

5. A final judgment against Developer remains unsatisfied or of record for thirty (30) days or longer (unless a supersedeas bond is filed);

6. Developer is dissolved;

7. Execution is levied against Developer's business or property;

8. A judicial or non-judicial action to foreclose any lien or mortgage against the premises or equipment of any business operated hereunder or under any Franchise Agreement is instituted and not dismissed within the earlier of: (i) thirty (30) days or (ii) consummation of such foreclosure sale; or

9. The real or personal property of any business operated hereunder or under any Franchise Agreement shall be sold after levy by any sheriff, marshal or constable.

B. Termination on Notice. Developer shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Developer any opportunity to cure the default, effective immediately upon written notice to Developer, upon the occurrence of any of the following events of default:

1. If Developer fails to comply with the Development Schedule, or otherwise fails to satisfy its obligations set forth in Section 3;

2. If Developer or any of the Principals is convicted of, or enters a plea of guilty or nolo contendere to, a felony, an indictable offense, or a crime involving moral turpitude or any other crime or offense that Franchisor believes is reasonably likely to have an adverse effect on the System, the Marks, the goodwill associated therewith or Franchisor's interests therein;

3. If a threat or danger to public health or safety results from the construction, maintenance or operation of any Brand Restaurant developed under this Agreement;

4. If Developer or any of the Principals breach in any material respect any of the representations, warranties and covenants in Section 6, or if Developer makes any material misstatement or omission in the application for this Agreement or in any other information provided to Franchisor;

5. If Developer or any of the Principals transfers or attempts to transfer any rights or obligations under this Agreement, or any interest in Developer or the business contemplated hereby contrary to the terms of this Agreement, or if an approved transfer upon death or permanent disability is not effected within the time period and in the manner prescribed by Section 8.E.;

6. If, contrary to the terms of Section 9.A., Developer discloses or divulges any Confidential Information;

7. If Developer, or any of the Principals, repeatedly commits a material event of default under this Agreement, whether or not such defaults are of the same or different nature and whether or not such defaults have been cured after notice by Franchisor;

8. If Developer's assets, property or interests are "blocked" under any law, ordinance or regulation relating to terrorist activities or if Developer is otherwise in violation of any such law, ordinance or regulation; or

9. If Developer or any of its affiliates are otherwise in default under any Franchise Agreement and fail to cure such default within the applicable cure period, if any, contained in such Franchise Agreement.

C. Termination After Notice and Opportunity to Cure. Upon the occurrence of any event set forth below, Developer shall be deemed to be in material default, and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, by giving Developer written notice stating the nature of the default and the applicable cure period (defined below). Developer may avoid termination by curing such default to Franchisor's satisfaction within the time period set forth below or such longer period as applicable law may require ("cure period"). If a default is not cured within the cure period, Developer's rights under this Agreement shall terminate without further notice to Developer effective immediately upon the expiration of the cure period.

1. If Developer or any of its affiliates fails, refuses or neglects promptly to pay when due any monetary obligation owing to Franchisor or any of its affiliates and fails to cure such default within five (5) days following notice from Franchisor;

2. If Developer fails to designate a qualified replacement Operating Principal or General Manager within thirty (30) days after any initial or successor Operating Principal or General Manager ceases to serve;

3. If Developer fails to obtain the execution of the covenants required under Section 9.H. within thirty (30) days following Franchisor's request that Developer do so;

4. If Developer misuses or makes any unauthorized use of the Marks or otherwise materially impairs the goodwill associated therewith or with the System or Franchisor's rights therein and fails to cure such default within twenty-four (24) hours following notice from Franchisor;

5. If Developer fails to comply with any other term or condition imposed by this Agreement and fails to cure within thirty (30) days following notice from Franchisor; or

6. If Developer or any of Developer's Principals fail to comply with the restrictions against competition set forth in Section 9.B. of this Agreement and fail to cure such default within ten (10) days following notice from Franchisor.

D. Additional Remedies. Upon default by Developer under Section 7.B. or C., Franchisor may, to the fullest extent permitted by law, and in its sole discretion, elect to exercise any one or more of the following remedies in lieu of terminating this Agreement: (i) terminate or modify any territorial protections granted to Developer in Section 1, (ii) reduce the size of the Territory, (iii) reduce the number of Brand Restaurants which Developer may establish pursuant to the Development Schedule; and (iv) terminate any then-existing Franchise Agreement.

1. Subject to Section 7.D.iv above, if Franchisor elects to exercise one or more of the additional remedies set forth above, Developer shall continue to develop Brand Restaurants in accordance with its rights and obligations hereunder, as so modified. To the extent such rights are modified pursuant to this Section 7.D., Developer acknowledges that Franchisor shall be entitled to establish, and to license others to establish, Brand Restaurants in some or all of the Territory, except as may be otherwise provided under any Franchise Agreement which is then in effect between Franchisor and Developer.

2. Franchisor's exercise of any of its remedies under this Section 7.D. shall not constitute a waiver by Franchisor to exercise its option to terminate this Agreement at any time with respect to a subsequent event of default of a similar or different nature.

E. Effect on Franchise Agreements; Remedies Non-Exclusive

1. No default under this Agreement shall constitute a default under any Franchise Agreement, unless the default is also a default under the terms of such Franchise Agreement.

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

F. Post-Termination Obligations. Upon the termination or expiration of this Agreement, Developer shall have no right to establish or operate any Brand Restaurant for which a Franchise Agreement has not been executed by Franchisor and delivered to Developer at the time of termination or expiration (but Developer may complete development of and/or operate Brand Restaurants under then-existing Franchise Agreements) and Franchisor may develop, or authorize others to develop, Brand Restaurants in the Territory. Upon the expiration or termination of this Agreement:

1. Developer and the Principals shall comply with the restrictions on confidential information contained in Section 9.A. and the covenants against competition contained in Section 9.B. Any other person required to execute similar covenants pursuant to Section 9.H. shall also comply with such covenants.

2. Developer and its Principals shall promptly pay all sums owing to Franchisor and its subsidiaries or affiliates. Such sums shall include all damages, costs and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of any default by Developer, which obligation shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of the personal property, furnishings, equipment, signs, fixtures, and inventory owned by Developer or its affiliates and on the premises operated under any Franchise Agreement at the time of default.

3. Developer and the Principals shall pay to Franchisor all damages, costs and expenses, including reasonable attorneys' fees and costs, incurred by Franchisor in connection with obtaining any remedy available to Franchisor for any violation of this Agreement and subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Section 7.F.

8. TRANSFER OF INTEREST

A. By Franchisor. Franchisor shall have the right to transfer or assign this Agreement and all or any part of its rights or obligations herein to any person or legal entity without Developer's consent, and upon such transfer or assignment, the transferee or assignee shall be solely responsible for all Franchisor's obligations arising hereunder subsequent to the transfer or assignment. Without limitation of the foregoing, Franchisor may sell its assets to a third party; may offer its securities privately or publicly; may merge with or, acquire other corporations, or may be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring.

B. By Developer and Principals. Developer understands and acknowledges that the rights and duties set forth in this Agreement are personal to Developer, and that Franchisor has granted such rights in reliance on the business skill, financial capacity and personal character of Developer and Developer's Principals. Accordingly, neither Developer nor any Principal, nor any successor or assign of Developer or any Principal, shall sell, assign, transfer, convey, give away, pledge, mortgage or otherwise dispose of or encumber any direct or indirect interest in this Agreement (including, without limitation, any or all of Developer's rights or obligations hereunder), the business operated under this Agreement, or in Developer without the prior written consent of Franchisor. Any purported assignment or transfer, by operation of law or otherwise, made in violation of this Agreement shall be null and void and shall constitute a material breach of this Agreement.

1. If Developer wishes to transfer all or part of its interest in this Agreement or in the business operated hereunder, or if Developer or a Principal wishes to transfer any interest in Developer, transferor and the proposed transferee shall apply to Franchisor for its consent. Franchisor shall not unreasonably withhold its consent to a transfer of any interest in Developer, in this Agreement or in the business operated hereunder but Franchisor may, in its sole discretion, require any or all of the following as conditions of its approval to any such transfer:

(a) All the accrued monetary obligations of Developer and its affiliates and all other outstanding obligations to Franchisor and its affiliates arising under this Agreement or any Franchise Agreement or other agreements shall have been satisfied in a timely manner and Developer shall have satisfied all trade accounts and other debts, of whatever nature or kind, in a timely manner;

(b) Developer and its affiliates shall not be in default of any provision of this Agreement, any amendment hereof or successor hereto, or any Franchise Agreement or other agreements between Developer or any of its affiliates and Franchisor or any of its affiliates; and Developer shall have substantially and timely complied with all the terms and conditions of such agreements during the terms thereof;

(c) The transferor and its principals (if applicable) shall have executed a release (except for claims which cannot be released pursuant to an applicable franchise law or statute), in a form satisfactory to Franchisor, of any and all claims, against Franchisor, its affiliates, and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees of each of them, in their corporate and individual capacities, including, without limitation, claims arising under this Agreement, any Franchise Agreement and any other agreements between Developer and Franchisor or any of its affiliates or under federal, state or local laws, rules, regulations and orders;

(d) The transferee shall enter into a written agreement, satisfactory to Franchisor, assuming full, unconditional, joint and several, liability for and agreeing to perform from the date of the transfer, all obligations, covenants and agreements of Developer in this Agreement; and, if transferee is a corporation, partnership or limited liability company, such of transferee's principals as Franchisor may designate as principals shall execute such agreement as transferee's principals, and guarantee the performance of all such obligations, covenants and agreements;

(e) The transferee shall execute the standard form development agreement then being offered to new System developers or a revised form of this Agreement, as Franchisor deems appropriate, and such other ancillary agreements as Franchisor may require, which agreements shall supersede this Agreement and its ancillary documents in all respects and the terms of which agreements may differ from the terms of this Agreement, and if the transferee is a corporation, partnership, or limited liability company, such of transferee's principals as Franchisor may designate shall execute such agreement and guarantee the performance thereof;

(f) The transferee (or its principals, as applicable) shall demonstrate to Franchisor's satisfaction that transferee meets the criteria considered by Franchisor when reviewing a prospective developer's application for development rights, including, but not limited to, Franchisor's educational, managerial and business standards, transferee's good moral character, business reputation and credit rating, transferee's aptitude and ability to conduct the business contemplated hereunder (as may be evidenced by prior related business experience or otherwise), transferee's financial resources and capital for operation of the business, and the geographic proximity of other territories with respect to which transferee has been granted development rights or of other Brand Restaurants operated by transferee, if any;

(g) The transferor shall remain liable for all of the obligations to Franchisor in connection with this Agreement incurred prior to the effective date of the transfer and shall execute any and all instruments reasonably requested by Franchisor to evidence such liability;

(h) Developer shall pay Franchisor a transfer fee in an amount equal to one-half (1/2) of the then-current initial franchise fee that Franchisor generally charges to new Licensed Brand franchisees;

(i) If transferee is a corporation, partnership, limited liability company or other legal entity, transferee shall make and will be bound by any or all of the representations, warranties and covenants in Section 6 as Franchisor requests. Transferee shall provide to Franchisor evidence satisfactory to Franchisor that the terms of Sections 6.B., C. and D. have been satisfied and are true and correct on the date of transfer.

2. If the transfer relates to the grant of a security interest in any of Developer's assets, Franchisor may require the secured party to agree that, in the event of any default by Developer under any documents related to the security interest, Franchisor shall have the right and option (but no obligation) to be substituted as obligor to the secured party and to cure any default of Developer.

3. Developer acknowledges and agrees that each condition which must be met by the transferee is reasonable and necessary to assure such transferee's full performance of the obligations hereunder.

C. Transfer for Convenience of Ownership. If the proposed transfer is to a corporation or other entity formed solely for the convenience of ownership, Franchisor's consent may be conditioned upon any of the requirements in Section 8.B.1, except that the requirements in Sections 8.B.1.(c), (e), and (f) shall not apply and the fee provided for in Section 8.B.1.(h) shall be equal to Franchisor's reasonable out-of-pocket costs and expenses (including legal and accounting fees and costs associated with reviewing the application to transfer). In any transfer for the convenience of ownership, Developer shall be the owner of all the voting stock or interest of the corporation, and if Developer is more than one individual, each individual shall have the same proportionate ownership interest in the corporation as he had in Developer prior to the transfer.

D. Right of First Refusal. If Developer or a Principal wishes to transfer any interest in this Agreement, the business operated hereunder, or in Developer, pursuant to any bona fide offer received from a third party to purchase such interest, then such proposed seller shall promptly notify Franchisor in writing of each such offer, and shall provide such information and documentation relating to the offer as Franchisor may require. Franchisor shall have the right and option, exercisable within thirty (30) days after receipt of such written notification and copies of all required documentation describing the terms of such offer, to send written notice to the seller that Franchisor intends to purchase the seller's interest on the same terms and conditions offered by the third party. If Franchisor elects to purchase the seller's interest, closing shall occur on or before sixty (60) days from the later of the date of Franchisor's notice to seller of its election to purchase and the date Franchisor receives all necessary permits and approvals, or any other date agreed by the parties in writing. If the third party offer provides for payment of consideration other than cash, Franchisor may elect to purchase seller's interest for the reasonable cash equivalent. If the parties cannot agree within a reasonable time on the reasonable cash equivalent, then that amount shall be determined by two (2) appraisers. Each party shall select one (1) appraiser and the average of the appraisers' determinations shall be binding. Each party shall bear its own legal and other costs and shall share the appraisal fees equally. If Franchisor exercises its right of first refusal, it shall have the right to set off all appraisal fees and other amounts due from Developer to Franchisor or any of its affiliates. Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same right of first refusal by Franchisor as in the case of an initial offer. Failure of Franchisor to exercise the option afforded by this Section 8.D. shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section 8.D. relating to a proposed transfer. Failure to comply with this Section 8.D. shall constitute a material event of default under this Agreement.

E. Death or Permanent Disability. Developer or its representative shall promptly notify Franchisor of any death or claim of permanent disability subject to this Section 8.E. Any transfer upon death or permanent disability shall be subject to the following conditions, as well as to the conditions described in Section 8.B. for any inter vivos transfer.

1. Upon the death of Developer (if Developer is a natural person) or any Principal who is a natural person (the "Deceased"), the executor, administrator or other personal representative of the Deceased shall transfer such interest to a third party approved by Franchisor within six (6) months after the date of death. If no personal representative is designated or appointed or no probate proceedings are instituted with respect to the estate of the Deceased, then the distributee of such interest must be approved by Franchisor. If the distributee is not approved by Franchisor, then the distributee shall transfer such interest to a third party approved by Franchisor within six (6) months after the death of the Deceased.

2. Upon the permanent disability of Developer (if Developer is a natural person) or any Principal who is a natural person, Franchisor may, in its sole discretion, require such interest to be transferred to a third party in accordance with the conditions described in this Section 8.E. within six (6) months after notice to Developer. "Permanent disability" shall mean any physical, emotional or mental injury, illness or incapacity which would prevent a person from performing the obligations set forth in this Agreement or in the guaranty made part of this Agreement for at least ninety (90) consecutive days and from which condition recovery within ninety (90) days from the date of determination of disability is unlikely. Permanent disability shall be determined by a licensed practicing physician selected by Franchisor, upon examination of the person; or if the person refuses to submit to an examination, then such person automatically shall be deemed permanently disabled as of the date of such refusal for the purpose of this Section 8.E. The costs of any examination required by this Section shall be paid by Franchisor.

F. Securities Offerings. Interests in Developer shall not be offered to the public by private or public offering without Franchisor's prior written consent, which shall not be unreasonably withheld. As a condition of its consent, Franchisor may, in its sole discretion, require that, immediately after such offering, Developer and the Principals retain a Controlling Interest in Developer. Developer shall give Franchisor written notice at least thirty (30) days prior to the commencement of any offering covered by this Section 8.F. All offering materials shall be submitted to Franchisor for review prior to being filed with any governmental agency or distributed for use. Franchisor's review of the offering materials shall be limited solely to the subject of the relationship between Developer and Franchisor. No offering shall imply that Franchisor is participating in an underwriting, issuance or offering of securities. Franchisor may require the offering materials to contain a written statement prescribed by Franchisor concerning the relationship of Developer and Franchisor. Developer, its Principals and the other participants in the offering must fully indemnify Franchisor, its affiliates, their respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees, past and present, in connection with the offering. For each proposed offering, Developer shall pay to Franchisor a non-refundable fee of Three Thousand U.S. Dollars (USD$3,000) and shall reimburse Franchisor for its reasonable costs and expenses (including, without limitation, legal and accounting fees and costs) associated with reviewing the offering materials.

G. No Waiver. Franchisor's consent to a transfer of any interest described herein shall not constitute a release or waiver of any claims which Franchisor may have against the transferring party, nor shall it be deemed a release or waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferee.

H. New or Successor Principals. If, after the execution of this Agreement, any person ceases to qualify as one of the Developer's Principals or if any individual succeeds to or otherwise comes to occupy a position which, upon designation by Franchisor, would qualify him as one of Developer's Principals, Developer shall comply with the provisions of this Section 8. with respect to any such change and shall notify Franchisor within ten (10) days after any such change. In addition, Developer shall cause such person to execute all documents and instruments (including, as applicable, the Principal's Guaranty and Assumption Agreement or the Confidentiality and Ancillary Covenants Not To Compete) as Franchisor may require others in such positions to execute.

9. COVENANTS

A. Nondisclosure of Confidential Information. Franchisor will disclose to Developer those parts of Franchisor's Confidential Information Franchisor deems necessary or advisable from time to time for the establishment and operation of the Brand Restaurants. Developer agrees that Developer and Developer's Principals will not acquire any interest in the Confidential Information, other than the right to use the Confidential Information disclosed to Developer in operating the business contemplated by this Agreement during the term of this Agreement, and that the use or duplication of any Confidential Information in any other business would constitute an unfair method of competition. Developer agrees to disclose the Confidential Information to Developer's Principals and employees only to the extent reasonably necessary for the operation of the business contemplated by this Agreement. Franchisor's Confidential Information is proprietary, includes trade secrets owned by Franchisor and its affiliates, and is disclosed to Developer solely on the condition that Developer agrees, and Developer does hereby agree, that Developer: (i) will not use the Confidential Information in any other business or capacity; (ii) will maintain the confidentiality of the Confidential Information during and after the term of this Agreement; (iii) will not make unauthorized copies of any portion of the Confidential Information; and (iv) will adopt and implement all reasonable procedures that Franchisor prescribes from time to time to prevent the unauthorized use or disclosure of the Confidential Information, including, without limitation, restrictions on disclosure of the Confidential Information to Developer's personnel and others. These covenants shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon Developer and each of the Principals.

B. Noncompetition Covenants. Developer and the Principals specifically acknowledge that, pursuant to this Agreement, they will receive access to valuable training, trade secrets and Confidential Information which are beyond their present skills and experience, including, without limitation, information regarding operational, sales, promotional and marketing methods and techniques of the System. Developer and the Principals further acknowledge that such specialized training, trade secrets and Confidential Information provide a competitive advantage, and that gaining access thereto is a primary reason for entering into this Agreement. In consideration therefor, Developer and the Principals covenant as follows:

1. With respect to Developer, during the term of this Agreement (or with respect to each of the Principals, for so long as such individual or entity satisfies the definition of "Principal" under

this Agreement) except as otherwise approved in writing by Franchisor, neither Developer nor any of the Principals shall, either directly or indirectly, for themselves, or through, on behalf of or in conjunction with any person, persons, partnership, limited liability company, corporation or other entity or association:

(a) Divert, or attempt to divert, any business or customer of the business described hereunder to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(b) Except with respect to Brand Restaurants operated under valid Franchise Agreements with Franchisor, own, maintain, operate, engage in, be employed by, or have any financial or beneficial interest in, advise, assist or make loans to, any business that is the same as or similar in material respects to those offered by Brand Restaurants (with reference to market segment, menu offering, target customer, consumer perception, etc.), as they evolve or change over time, and which is located within the United States, its territories or commonwealths, or any other country, state or geographic area in which Franchisor has used, sought registration of or registered the Marks or similar marks or operates or licenses others to operate a business under the Marks or similar marks.

2. With respect to Developer, and for a continuous uninterrupted period commencing upon the expiration, termination, or transfer of all of Developer's interest in, this Agreement (or with respect to each of the Principals, commencing upon the earlier of (i) the expiration, termination, or transfer of all of Developer's interest in this Agreement or (ii) the time such individual or entity ceases to satisfy the definition of "Principal" under this Agreement), and continuing for two (2) years thereafter, except as otherwise approved in writing by Franchisor, neither Developer nor any of the Principals shall, directly or indirectly, for themselves or through, on behalf of or in conjunction with any person, persons, partnership, limited liability company, corporation or other entity or association:

(a) Divert, or attempt to divert, any business or customer of the business described hereunder to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(b) Except with respect to Brand Restaurants operated under valid Franchise Agreements with Franchisor, own, maintain, operate, engage in, be employed by, or have any financial or beneficial interest in, advise, assist or make loans to, a business that is the same as or similar in material respects to those offered by Brand Restaurants (with reference to market segment, menu offering, target customer, consumer perception, etc.), as they evolve or change over time, which business is, or is intended to be (i) located within the Territory or (ii) within a 15-mile radius of any Brand Restaurant then in existence or under construction.

C. Reasonable Restrictions. The parties acknowledge and agree that each of the covenants contained herein contain reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor. Each such covenant shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 9 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Developer and the Principals expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section.

D. Reduction of Scope of Covenant. Developer and the Principals acknowledge that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Section 9 without their consent, effective immediately upon notice to Developer, and Developer and the Principals agree that they shall promptly comply with any covenant as so modified.

E. Enforcement. Developer and the Principals expressly agree that the existence of any claims they may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section 9.

F. Improvements. If Developer, Developer's employees, or Principals develop any new concept, process or improvement in the operation or promotion of a Brand Restaurant (an "Improvement"), Developer agrees to promptly notify Franchisor and provide Franchisor with all necessary related information, without compensation. Any such Improvement shall become Franchisor's sole property and Franchisor shall be the sole owner of all related patents, patent applications, and other intellectual property rights. Developer and Developer's Principals hereby assign to Franchisor any rights Developer or they may have or acquire in the Improvements, including the right to modify the Improvement, and waive and/or release all rights of restraint and moral rights therein and thereto. Developer and Developer's Principals agree to assist Franchisor in obtaining and enforcing the intellectual property rights to any such Improvement in any and all countries and further agree to execute and provide Franchisor with all necessary documentation for obtaining and enforcing such rights. Developer and Developer's Principals hereby irrevocably designate and appoint Franchisor as Developer's and their agent and attorney-in-fact to execute and file any such documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property right related to any such Improvement. In the event that the foregoing provisions of this Section 9.F. are found to be invalid or otherwise unenforceable, Developer and Developer's Principals hereby grant to Franchisor a worldwide, perpetual, non-exclusive, fully-paid license to use and sublicense the use of the Improvement to the extent such use or sublicense would, absent this Agreement, directly or indirectly infringe Developer's or their rights therein.

G. Injunctive Relief. Developer and Developer's Principals acknowledge that any failure to comply with the requirements of this Section 9. shall constitute a material event of default under this Agreement and further acknowledge that such a violation would result in irreparable injury to Franchisor for which no adequate remedy at law may be available. Developer and Developer's Principals accordingly consent to the issuance of an injunction prohibiting any conduct by Developer or Developer's Principals in violation of the terms of this Section 9., without the requirement that Franchisor post a bond. Developer and Developer's Principals agree to pay all court or arbitration costs and reasonable attorneys' fees and costs that Franchisor incurs in connection with the enforcement of this Section 9., including all costs and expenses for obtaining specific performance, or an injunction against the violation, of the requirements of this Section, or any part of it.

H. Execution of Covenants by Developer's Principals and Management. Developer agrees to require and obtain the execution of covenants similar to those set forth in Sections 9.A. and B. from all of Developer's Principals not signing the Principals' Guaranty and Assumption Agreement, from all General Managers, and, at Franchisor's request, Developer's other personnel. These covenants must be substantially in the form set forth in Attachment B; however, Franchisor reserves the right, in Franchisor's sole discretion, to decrease the scope of the noncompetition covenant set forth in Attachment B or eliminate such noncompetition covenant altogether for any person that is required to execute such agreement.

10. INDEPENDENT CONTRACTOR

A. Independent Contractor Relationship. Developer agrees that the relationship created by this Agreement is not a fiduciary, special, or any other similar relationship, but rather is an arm's-length business relationship, and Franchisor owes Developer no duties except as expressly provided in this Agreement. Developer shall be an independent contractor, and nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, joint employer or servant of the other for any purpose. During the term of this Agreement, Developer shall hold itself out to the public as an independent contractor conducting its operations pursuant to the rights granted by Franchisor.

B. No Authority. Nothing in this Agreement authorizes Developer or any of the Principals to make any contract, agreement, warranty or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name, and Franchisor shall in no event assume liability for, or be deemed liable under this Agreement as a result of, any such action, or for any act or omission of Developer or any of the Principals or any claim or judgment arising therefrom.

11. INDEMNIFICATION

Developer agrees to indemnify, defend and hold harmless Franchisor, Franchisor's affiliates, and their respective shareholders, directors, officers, employees, agents, successors and assignees (the "Indemnified Parties") against, and to reimburse any one or more of the Indemnified Parties for, any and all claims, and liabilities directly or indirectly arising out of the operation of a Brand Restaurant or Developer's performance of this Agreement, without limitation and without regard to the cause or causes thereof or the negligence (whether such negligence be sole, joint or concurrent, or active or passive) or strict liability of Franchisor or any other party or parties in connection therewith. Notwithstanding the foregoing, this indemnity shall not apply to any liability arising from Franchisor's gross negligence or willful misconduct, except to the extent that joint liability is involved, in which event the defense and indemnification provided herein shall extend to any allegation and/or finding of comparative or contributory negligence attributable to Developer, Developer's Principals, officers, directors, employees, independent contractors or affiliates. For purposes of this indemnification, "claims" includes all obligations, damages (actual, consequential, exemplary or other) and costs reasonably incurred in the defense of any claim against any of the Indemnified Parties, including, without limitation, accountants', arbitrators', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of litigation, arbitration or alternative dispute resolution and travel and living expenses. Franchisor has the right to defend any such claim against Developer. This indemnity will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. Under no circumstances will Franchisor or any other Indemnified Party be required to seek recovery from any insurer or other third party, or otherwise to mitigate Franchisor's, their or Developer's losses and expenses, in order to maintain and recover fully a claim against Developer. Developer agrees that a failure to pursue such recovery or mitigate a loss will in no way reduce or alter the amounts Franchisor or another Indemnified Party may recover from Developer. The terms of this Section 11. shall survive the termination, expiration or transfer of this Agreement or any interest herein.

12. MISCELLANEOUS

A. Notices. Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by expedited delivery service or certified or registered mail, return receipt requested, first-class postage prepaid, or sent by facsimile or electronic mail to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to Franchisor: PARADISE FRANCHISING GROUP USA, LLC

2525 Main Street Suite 107
Irvine, CA 92614, USA
Attn: Hew Woong Yong
Email: woongyong@paradisegroup.com.sg
Tel: +1 949 932 028

Notices to Developer and the Principals: ___________________________________
____
____
____
Attention:__________________________
Email:______________________

Any notice shall be deemed to have been given at the time of personal delivery or, in the case of expedited delivery service, on the next Business Day, or, in the case of or registered or certified mail, three (3) Business Days after the date and time of mailing, or, in the case of facsimile or electronic mail, upon transmission (provided confirmation is sent by expedited delivery service or registered or certified mail).

B. Entire Agreement. This Agreement, the documents referred to herein and the Attachments hereto, constitute the entire, full and complete agreement between Franchisor and Developer and the Principals concerning the subject matter hereof and shall supersede all prior related agreements; provided, however, that nothing in this or any related agreement is intended to disclaim the representations Franchisor made in the franchise disclosure document that Franchisor furnished to Developer. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

C. No Waiver. No delay, waiver, omission or forbearance on the part of Franchisor to exercise any right, option, duty or power arising out of any breach or default by Developer or the Principals under this Agreement shall constitute a waiver by Franchisor to enforce any such right, option, duty or power against Developer or the Principals, or as to a subsequent breach or default by Developer or the Principals.

D. Approval or Consent. Whenever this Agreement requires the prior approval or consent of Franchisor, Developer shall make a timely written request to Franchisor and such approval or consent shall be obtained in writing. No waiver, approval, consent, advice or suggestion given to Developer, and no neglect, delay or denial of any request therefor, shall constitute a warranty or guaranty by Franchisor, nor does Franchisor assume any liability or obligation to Developer or any third party as a result thereof.

E. Force Majeure. Upon the occurrence of an event of Force Majeure, the party affected thereby shall give prompt notice thereof to the other party, together with a description of the event, the duration for which the party expects its ability to comply with the provisions of the Agreement to be affected, and a plan for resuming operation under the Agreement, which the party shall promptly undertake and maintain with due diligence. Such affected party shall be liable for failure to give timely notice only to the extent of damage actually caused. If an event of Force Majeure shall occur, then, Developer shall continue to be obligated to pay to Franchisor any and all amounts that it shall have duly become obligated to pay in accordance with the terms of this Agreement prior to the occurrence of such event and the Indemnitees shall continue to be indemnified and held harmless by Developer in accordance with Section 11. Except as provided in the immediately preceding sentence, neither party shall be held liable for a failure to comply with any terms and conditions of this Agreement when such failure is caused by an event of Force Majeure.

F. MEDIATION. FRANCHISOR AND DEVELOPER ACKNOWLEDGE THAT DURING THE TERM OF THIS AGREEMENT CERTAIN DISPUTES MAY ARISE THAT FRANCHISOR AND DEVELOPER ARE UNABLE TO RESOLVE, BUT THAT MAY BE RESOLVABLE THROUGH MEDIATION. TO FACILITATE SUCH RESOLUTION, FRANCHISOR AND DEVELOPER AGREE TO SUBMIT ANY CLAIM, CONTROVERSY OR DISPUTE BETWEEN FRANCHISOR OR ANY OF FRANCHISOR'S AFFILIATES (AND THEIR RESPECTIVE OWNERS, OFFICERS, DIRECTORS, AGENTS, REPRESENTATIVES AND/OR EMPLOYEES) AND DEVELOPER (AND DEVELOPER'S OWNERS, AGENTS, REPRESENTATIVES AND/OR EMPLOYEES) ARISING OUT OF OR RELATED TO (a) THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN FRANCHISOR AND DEVELOPER, (b) FRANCHISOR'S RELATIONSHIP WITH DEVELOPER, OR (c) THE VALIDITY OF THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN FRANCHISOR AND DEVELOPER, TO MEDIATION BEFORE BRINGING SUCH CLAIM, CONTROVERSY OR DISPUTE IN A COURT OR BEFORE ANY OTHER TRIBUNAL.

(1) THE MEDIATION SHALL BE CONDUCTED BY A MEDIATOR AGREED UPON BY FRANCHISOR AND DEVELOPER AND, FAILING SUCH AGREEMENT WITHIN NOT MORE THAN 15 DAYS AFTER EITHER PARTY HAS NOTIFIED THE OTHER OF ITS DESIRE TO SEEK MEDIATION, BY THE AMERICAN ARBITRATION ASSOCIATION OR ANY SUCCESSOR ORGANIZATION ("AAA") IN ACCORDANCE WITH ITS RULES GOVERNING MEDIATION. MEDIATION SHALL BE HELD AT THE OFFICES OF THE AAA NEAREST TO FRANCHISOR'S THEN-CURRENT PRINCIPAL PLACE OF BUSINESS (CURRENTLY, IRVINE, CALIFORNIA). THE COSTS AND EXPENSES OF MEDIATION, INCLUDING THE COMPENSATION AND EXPENSES OF THE MEDIATOR (BUT EXCLUDING ATTORNEYS' FEES INCURRED BY EITHER PARTY), SHALL BE BORNE BY THE PARTIES EQUALLY.

(2) IF THE PARTIES ARE UNABLE TO RESOLVE THE CLAIM, CONTROVERSY OR DISPUTE WITHIN 90 DAYS AFTER THE MEDIATOR HAS BEEN CHOSEN, THEN, UNLESS SUCH TIME PERIOD IS EXTENDED BY WRITTEN AGREEMENT OF THE PARTIES, EITHER PARTY MAY BRING A LEGAL PROCEEDING PURSUANT TO SECTION 12.G. FRANCHISOR AND DEVELOPER AGREE THAT STATEMENTS MADE BY EITHER FRANCHISOR OR DEVELOPER IN ANY SUCH MEDIATION PROCEEDING WILL NOT BE ADMISSIBLE FOR ANY PURPOSE IN ANY SUBSEQUENT LEGAL PROCEEDING.

(3) NOTWITHSTANDING THE FOREGOING PROVISIONS OF THIS SECTION 12.H., FRANCHISOR'S AND DEVELOPER'S AGREEMENT TO MEDIATE SHALL NOT APPLY TO CONTROVERSIES, DISPUTES OR CLAIMS RELATED TO OR BASED ON THE MARKS, THE CONFIDENTIAL INFORMATION, OR MONIES OWED. MOREOVER, REGARDLESS OF FRANCHISOR'S AND DEVELOPER'S AGREEMENT TO MEDIATE, FRANCHISOR AND DEVELOPER EACH HAVE THE RIGHT IN A PROPER CASE TO SEEK TEMPORARY RESTRAINING ORDERS AND TEMPORARY OR PRELIMINARY INJUNCTIVE RELIEF.

G. LITIGATION. WITH RESPECT TO ANY CONTROVERSIES, DISPUTES OR CLAIMS WHICH ARE NOT FINALLY RESOLVED THROUGH MEDIATION AS PROVIDED IN SECTION 12.H. ABOVE, THE PARTIES IRREVOCABLY SUBMIT THEMSELVES TO THE JURISDICTION OF THE STATE COURTS OF THE JURISDICTION IN WHICH FRANCHISOR THEN MAINTAINS ITS PRINCIPAL PLACE OF BUSINESS AND THE

FEDERAL DISTRICT COURT FOR SUCH JURISDICTION AND HEREBY WAIVE ALL QUESTIONS OF PERSONAL JURISDICTION FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. FRANCHISOR AND DEVELOPER AGREE THAT SERVICE OF PROCESS MAY BE MADE UPON THEM IN ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY DELAWARE OR FEDERAL LAW. FRANCHISOR AND DEVELOPER FURTHER AGREE THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE THE JURISDICTION IN WHICH FRANCHISOR THEN MAINTAINS ITS PRINCIPAL PLACE OF BUSINESS.

H. GOVERNING LAW. EXCEPT TO THE EXTENT GOVERNED BY THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.) OR OTHER FEDERAL LAW, THIS AGREEMENT, THE FRANCHISE AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN FRANCHISOR AND DEVELOPER WILL BE GOVERNED BY AND INTERPRETED AND CONSTRUED UNDER DELAWARE LAW (EXCEPT FOR DELAWARE CONFLICT OF LAW RULES).

I. PARTIES' ACKNOWLEDGMENTS. FRANCHISOR AND DEVELOPER ACKNOWLEDGE THAT THE AGREEMENTS REGARDING APPLICABLE STATE LAW AND FORUM SET FORTH ABOVE PROVIDE EACH OF THE PARTIES WITH THE MUTUAL BENEFIT OF UNIFORM INTERPRETATION OF THIS AGREEMENT AND ANY DISPUTE ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT. FRANCHISOR AND DEVELOPER FURTHER ACKNOWLEDGE THE RECEIPT AND SUFFICIENCY OF MUTUAL CONSIDERATION FOR SUCH BENEFIT.

J. WAIVER OF PUNITIVE DAMAGES. EXCEPT WITH RESPECT TO DEVELOPER'S OBLIGATION TO INDEMNIFY FRANCHISOR PURSUANT TO SECTION 11. AND CLAIMS FRANCHISOR BRINGS AGAINST DEVELOPER FOR DEVELOPER'S UNAUTHORIZED USE OF THE MARKS OR UNAUTHORIZED USE OR DISCLOSURE OF ANY CONFIDENTIAL INFORMATION, FRANCHISOR AND DEVELOPER AND DEVELOPER'S PRINCIPALS WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN FRANCHISOR AND DEVELOPER, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

K. LIMITATIONS OF CLAIM. EXCEPT FOR CLAIMS FRANCHISOR BRINGS WITH REGARD TO DEVELOPER'S OBLIGATIONS TO INDEMNIFY FRANCHISOR PURSUANT TO SECTION 11, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE RELATIONSHIP BETWEEN FRANCHISOR AND DEVELOPER PURSUANT TO THIS AGREEMENT WILL BE BARRED UNLESS AN ACTION IS COMMENCED WITHIN TWO (2) YEARS FROM THE DATE ON WHICH THE ACT OR EVENT GIVING RISE TO THE CLAIM OCCURRED, OR TWO (2) YEARS FROM THE DATE ON WHICH FRANCHISOR OR DEVELOPER KNEW OR SHOULD HAVE KNOWN, IN THE EXERCISE OF REASONABLE DILIGENCE, OF THE FACTS GIVING RISE TO SUCH CLAIMS, WHICHEVER OCCURS FIRST.

L. JURY WAIVER. FRANCHISOR AND DEVELOPER HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVE ANY RIGHT TO A JURY TRIAL IN ANY ACTION ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, THE RELATIONSHIP CREATED BY THIS AGREEMENT, OR ANY OTHER AGREEMENTS BETWEEN FRANCHISOR AND DEVELOPER OR FRANCHISOR'S AND DEVELOPER'S RESPECTIVE AFFILIATES. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL

ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS WRITTEN CONSENT TO A TRIAL BY THE COURT.

M. Counterpart Execution. This Agreement may be executed in multiple counterparts, each of which when so executed shall be an original, and all of which shall constitute one and the same instrument.

N. Headings. The captions used in connection with the sections and subsections of this Agreement are inserted only for purpose of reference. Such captions shall not be deemed to govern, limit, modify or in any other manner affect the scope, meaning or intent of the provisions of this Agreement or any part thereof nor shall such captions otherwise be given any legal effect.

O. Survival. Any obligation of Developer or the Principals that contemplates performance of such obligation after termination or expiration of this Agreement or the transfer of any interest of Developer or the Principals therein, shall be deemed to survive such termination, expiration or transfer. Without limitation of the foregoing, the provisions of Sections 12.F., G. and H. are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration, termination or purported rescission.

P. Severability. Except as expressly provided to the contrary herein, each portion, section, part, term and provision of this Agreement shall be considered severable; and if, for any reason, any portion, section, part, term or provision is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, this shall not impair the operation of, or have any other effect upon, the other portions, sections, parts, terms or provisions of this Agreement that may remain otherwise intelligible, and the latter shall continue to be given full force and effect and bind the parties; the invalid portions, sections, parts, terms or provisions shall be deemed not to be part of this Agreement; and there shall be automatically added such portion, section, part, term or provision as similar as possible to that which was severed which shall be valid and not contrary to or in conflict with any law or regulation.

Q. Gender. All references to the masculine, neuter or singular shall be construed to include the masculine, feminine, neuter or plural, where applicable. Without limiting the obligations individually undertaken by the Principals under this Agreement, all acknowledgments, promises, covenants, agreements and obligations made or undertaken by Developer in this Agreement shall be deemed, jointly and severally, undertaken by all of the Principals.

R. Remedies Cumulative. All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreements between Developer or any of its affiliates and Franchisor or any of its affiliates. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, earlier termination or exercise of Franchisor's rights pursuant to Section 7 of this Agreement shall not discharge or release Developer or any of the Principals from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination or the exercise of such rights under this Agreement. Additionally, Developer and the Principals shall pay all court or arbitration costs and reasonable attorneys' fees and costs incurred by Franchisor in obtaining any remedy available to Franchisor for any violation of this Agreement.

S. No Third Party Beneficiary. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Developer, Franchisor, and Franchisor's, officers, directors and personnel and such of Developer's and Franchisor's respective successors and assigns as may be contemplated (and, as to Developer, authorized by Section 8), any rights or remedies under or as a result of this Agreement.

T. Further Assurances. The parties will promptly execute and deliver such further documents and take such further action as may be necessary in order to effectively carry out the intent and purposes of this Agreement.

U. Agreement Effective Upon Execution by Franchisor. This Agreement shall not become effective until signed by an authorized representative of Franchisor.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by its duly authorized representative as of the date indicated below.

FRANCHISOR:

PARADISE FRANCHISING GROUP USA, LLC,

By:______________________________________
Name:__________________________________
Title:___________________________________
Date:___________________________________

DEVELOPER:

By:______________________________________
Name:__________________________________
Title:___________________________________
Date:______

ATTACHMENT A

PRINCIPALS' GUARANTY AND ASSUMPTION AGREEMENT

This Guaranty and Assumption Agreement (the "Guaranty") is given this _______ day of _______ 20__, in consideration of, and as an inducement to PARADISE FRANCHISING GROUP USA, LLC, a Dealware corporation ("Franchisor") to enter into that certain Development Agreement dated ______________ (the "Agreement") with ______________ ("Developer"). Each of the undersigned and any other parties who sign counterparts of this Guaranty (referred to herein individually as a "Guarantor" and collectively as "Guarantors") are Principals (as defined in the Agreement) of Developer and will receive material benefit from the execution of the Agreement by Franchisor.

Each Guarantor hereby personally and unconditionally guarantees to Franchisor and Franchisor's successors and assigns, that Developer will punctually perform all obligations and covenants of Developer and pay all amounts due under the Agreement and under all Franchise Agreements entered into pursuant to the Agreement (collectively, the "Agreements"), including, without limitation, amounts due for development fees, royalties, marketing and Advertising Fund contributions and purchases of equipment, materials, and supplies.

Each Guarantor waives:

(i) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; and

(ii) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; and

(iii) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; and

(iv) any right he or she may have to require that an action be brought against Developer or any other person as a condition of liability; and

(v) all rights to payments and claims for reimbursement or subrogation which he or she may have against Developer arising as a result of his or her execution of and performance under this guaranty by the undersigned (including by way of counterparts); and

(vi) any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each Guarantor consents and agrees that:

(a) his or her direct and immediate liability under this Guaranty will be joint and several not only with Developer, but also among the Guarantors; and

(b) he or she will render any payment or performance required under the Agreements upon demand if Developer (or, if permitted, its affiliates) fails or refuses punctually to do so; and

(c) such liability will not be contingent or conditioned upon pursuit by Franchisor of any remedies against Developer or any other person; and

(d) such liability will not be diminished, relieved or otherwise affected by any subsequent rider or amendment to the Agreements or by any extension of time, credit or other indulgence that Franchisor may from time to time grant to Developer or to any other person, including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable throughout the term of the Agreement sand for so long thereafter as there are any monies or obligations owing by Developer (or, if permitted, its affiliates) to Franchisor under the Agreements; and

(e) Developer's written acknowledgment, accepted in writing by us, or the judgment of any court or arbitration panel of competent jurisdiction establishing the amount due from Developer will be conclusive and binding on the undersigned as Guarantors.

Each Guarantor also makes all of the covenants, representations, warranties, indemnities, and agreements of the Principals set forth in the Development Agreement and is obligated to perform thereunder, including, without limitation, under Sections 7.F.; 8; 9; 11; and 12.F., G., H., I., J., K., and L.

If Franchisor is required to enforce this Guaranty in an administrative, judicial or arbitration proceeding, and prevails in such proceeding, Franchisor will be entitled to reimbursement of its costs and expenses, including, but not limited to, legal and accounting fees and costs, administrative, arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of an administrative, judicial or arbitration proceeding and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If Franchisor is required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the Guarantors will reimburse Franchisor for any of the above-listed costs and expenses incurred by Franchisor.

IN WITNESS WHEREOF, each Guarantor has hereunto affixed his signature on the same day and year as the Development Agreement was executed.

PRINCIPALS

____
*Name:__________________________

____
Name:__________________________

____
Name:__________________________

* Denotes individual who is Developer's Operating Principal

ATTACHMENT B

CONFIDENTIALITY AGREEMENT AND ANCILLARY COVENANTS NOT TO COMPETE

This Agreement is made and entered into this ____ day of ________________, 20__, between PARADISE FRANCHISING GROUP USA, LLC, ("Franchisor"), ____________________ ("Developer") and ______________________ ("Covenantor") in connection with a development agreement between Franchisor and Developer dated _________, 20__ ("Development Agreement"). Initially capitalized terms used, but not defined in this Agreement, have the meanings contained in the Development Agreement.

RECITALS

Franchisor has the right to use and license the use of a System for the establishment and operation of Brand Restaurants.

The System is identified by certain Marks including, the Licensed Brand, and includes certain Confidential Information which provides economic advantages to Franchisor and licensed users of the System.

Franchisor has granted Developer the limited right to develop Brand Restaurants using the System, the Marks and the Confidential Information under the Development Agreement.

In connection with his or her duties, it will be necessary for Covenantor to have access to some or all of the Confidential Information.

Franchisor and Developer have agreed on the importance of restricting the use, access and dissemination of the Confidential Information, and Developer therefore has agreed to obtain from Covenantor a written agreement protecting the Confidential Information and further protecting the System against unfair competition.

Covenantor acknowledges that receipt of and the right to use the Confidential Information constitutes independent valuable consideration for the representations, promises and covenants made by Covenantor herein.

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

Confidentiality Agreement

1. Covenantor shall, at all times, maintain the confidentiality of the Confidential Information and shall use such Confidential Information only in the course of his or her employment by or association with Developer in connection with the development and operation of Brand Restaurants under the Development Agreement or Franchise Agreements.

2. Covenantor shall not at any time make copies of any documents or compilations containing some or all of the Confidential Information without Franchisor's express written permission.

3. Covenantor shall not at any time disclose or permit the disclosure of the Confidential Information except to other employees of Developer and only to the limited extent necessary to train or assist other employees of Developer in the development or operation of a Brand Restaurant using the System.

4. Covenantor shall surrender any material containing some or all of the Confidential Information to Developer or Franchisor, upon request, or upon termination of employment by Developer.

5. Covenantor shall not at any time, directly or indirectly, do any act or omit to do any act that would or would likely be injurious or prejudicial to the goodwill associated with the trade secrets and the System.

6. Covenantor acknowledges that Franchisor provides Developer with access to the Manuals for limited purposes only and that the Manuals remain the property of Franchisor. Covenantor agrees that no Manuals may be reproduced, in whole or in part, without Franchisor's written consent.

[**Covenants Not to Compete**[1]]

In order to protect the goodwill of the System, and in consideration for the disclosure of the Confidential Information to Covenantor, Covenantor agrees that, during the term of his or her association with or employment by Developer, and for a period of one (1) year following the earlier of (i) the termination thereof, or (ii) the termination, expiration or transfer of Developer's interest in the Development Agreement, Covenantor will not, without Franchisor's prior written consent:

a. Directly or indirectly divert, or attempt to divert any business opportunity or customer of the business described hereunder to any competitor; and

b. Directly or indirectly, for himself or through, on behalf of, or in conjunction with any other person, persons, partnership, corporation, limited liability company, or other association, or entity, own, maintain, operate, engage in or have any financial or beneficial interest in, advise, assist or make loans to, any business which is the same as or s similar in material respects to those offered by Brand Restaurants (with reference to market segment, menu offering, target customer, consumer perception, etc.), as they evolve or change over time, which is, or is intended to be (i) located within the Territory or (ii) within a 15-mile radius of the location of any Brand Restaurant then in existence or under construction.

[**Principal's Undertaking**

Covenantor also makes all of the covenants, representations, warranties and agreements of the Principals set forth in Sections 8; 9.A., B., C., D., E., G. and H.; and 12.F., G., H., I., J., K., and L. of the Development Agreement and is obligated to perform thereunder.]

Miscellaneous

1. Developer shall make all commercially reasonable efforts to ensure that Covenantor acts as required by this Agreement.

[1] If Covenantor is a Principal not signing the Principals' Guaranty and Assumption Agreement, delete the Covenants Not to Compete section and replace it with the Principals' Undertaking section.

2. Covenantor agrees that:

a. Each of the covenants herein contain reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor.

b. Each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which Franchisor is a party, Covenantor shall be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

c. In the event of a breach of this Agreement, Franchisor would be irreparably injured and without an adequate remedy at law and, therefore, upon any such breach or attempted breach of any provision hereof, Franchisor shall be entitled, in addition to any other remedies which it may have at law or in equity, to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security.

3. Covenantor agrees to pay all expenses (including court costs and reasonable attorneys' fees and costs) incurred by Franchisor and Developer in enforcing this Agreement.

4. Any failure by Franchisor or the Developer to object to or take action with respect to any breach of any provision of this Agreement by Covenantor shall not operate or be construed as a waiver of or consent to that breach of any subsequent breach by Covenantor.

5. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT REFERENCE TO ANY DELAWARE CONFLICT OF LAW PRINCIPLES THEREIN. COVENANTOR HEREBY IRREVOCABLY SUBMITS HIMSELF OR HERSELF TO THE JURISDICTION OF THE STATE AND FEDERAL DISTRICT COURTS LOCATED IN THE STATE, COUNTY OR JUDICIAL DISTRICT IN WHICH THE FRANCHISOR'S PRINCIPAL PLACE OF BUSINESS IS LOCATED. COVENANTOR HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. COVENANTOR HEREBY AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON HIM IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY DELAWARE OR FEDERAL LAWS. COVENANTOR FURTHER AGREES THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE THE COUNTY OR JUDICIAL DISTRICT IN WHICH THE FRANCHISOR'S PRINCIPAL PLACE OF BUSINESS IS LOCATED (CURRENTLY, [IRVINE, CALIFORNIA]); PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION WHICH INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR OR FRANCHISEE MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE WHICH HAS JURISDICTION.

6. THE PARTIES TO THIS AGREEMENT HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVE ANY RIGHT TO A JURY TRIAL IN ANY ACTION ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE RELATIONSHIP CREATED

BY THIS AGREEMENT. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS WRITTEN CONSENT TO A TRIAL BY THE COURT.

7. This Agreement contains the entire agreement of the parties regarding the subject matter hereof. This Agreement may be modified only by a duly authorized writing executed by all parties.

8. Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by expedited delivery service or certified or registered mail, return receipt requested, first-class postage prepaid, or sent by facsimile or electronic mail to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other parties.

If directed to Franchisor, the notice shall be addressed to:

PARADISE FRANCHISING GROUP USA, LLC
2525 Main Street Suite 107
Irvine, CA 92614, USA
Attn: Hew Woong Yong
Email: woongyong@paradisegroup.com.sg
Tel: +1 949 932 028

If directed to Developer, the notice shall be addressed to:

____
____
____
Attention:________________________________
Email:______________________

If directed to Covenantor, the notice shall be addressed to:

____
____
____
Attention:________________________________
Email:______________________

Any notice shall be deemed to have been given at the time of personal delivery or, in the case of expedited delivery service on the next Business Day, or, in the case of or registered or certified mail, three (3) Business Days after the date and time of mailing, or, in the case of facsimile or electronic mail, upon transmission (provided confirmation is sent by expedited delivery service or registered or certified mail).

9. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and shall insure to the benefit of its respective affiliates, successors and assigns. The respective obligations of Developer and Covenantor hereunder may not be assigned by Developer or Covenantor, without the prior written consent of Franchisor.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the undersigned have entered into this Agreement as witnessed by their signatures below.

FRANCHISOR:

PARADISE FRANCHISING GROUP USA, LLC

By:____________________________________
Name:______________________________
Title:_______________________________
Date:_______________________________

DEVELOPER:

____

By:____________________________________
Name:______________________________
Title:_______________________________
Date:_______________________________

COVENANTOR:

____

By:____________________________________
Name:______________________________
Title:_______________________________
Date:_______________________________

* If Franchisor will not be a party, delete reference and modify the agreement to reflect, including the addition of the following third party beneficiary language: "Franchisor and Franchisor's successors and assigns shall be third party beneficiaries of this Agreement, with the full and independent right, at Franchisor's and their option and in Franchisor's and their sole discretion, to enforce this Agreement."

ATTACHMENT C

FRANCHISE AGREEMENT

ATTACHMENT D

STATEMENT OF OWNERSHIP INTERESTS AND MANAGEMENT INFORMATION

1. The following is a list of all shareholders, partners, members or other investors owning a direct or indirect interest in Developer, and a description of the nature of their interest:

NAME	OWNERSHIP INTEREST IN DEVELOPER	NATURE OF INTEREST

2. The following is a list of all of Developer's Principals who are signing the Confidentiality Agreement and Ancillary Covenants Not to Compete substantially in the form set forth in Attachment B to this Agreement instead of signing the Principals' Guaranty and Assumption Agreement.

____

____

____

____

3. Developer's Operating Principal is:

4. Developer's General Manager (if applicable) is:

ATTACHMENT E

DESCRIPTION OF TERRITORY

TERRITORY:

ATTACHMENT F

LEASE ADDENDUM TERMS

(a) Landlord acknowledges that Tenant is a franchisee of PARADISE FRANCHISING GROUP USA, LLC, ("Franchisor"), and that the Brand Restaurant located at the Premises ("Unit") is operated under the Licensed Brand franchise system, pursuant to a franchise agreement ("Franchise Agreement") between Tenant and Franchisor. Landlord consents to Tenant's use at the Premises of such marks and signs, decor items, color schemes and related components of the Licensed Brand system as Franchisor may prescribe for the Unit. During the term of the Franchise Agreement, the Premises may be used only for the operation of the Unit.

(b) Landlord agrees to furnish to Franchisor copies of any and all letters and notices sent to Tenant pertaining to the Lease and the Premises at the same time that such letters and notices are sent to Tenant. Without limiting the foregoing, in the event of any default by Tenant, Landlord shall give Franchisor written notice of such default. If Tenant has failed to cure such default at the expiration of the applicable cure period, Landlord shall give Franchisor further written notice of such failure ("Franchisor Notice"). Following Franchisor's receipt of the Franchisor Notice, Franchisor shall have the right (but not the obligation) to cure Tenant's default before Landlord shall exercise any of Landlord's remedies arising as a consequence of Tenant's default. Any such cure shall be effected within fifteen (15) days following Franchisor's receipt of the Franchisor Notice. Such cure by Franchisor shall not be deemed to be an election to assume the terms, covenants, obligations and conditions of the Lease.

(c) If Franchisor cures Tenant's default, or if Franchisor notifies Landlord that the Franchise Agreement has been terminated (which termination shall constitute a non-curable default pursuant to the Lease upon Landlord's receipt of Franchisor's notice thereof), Landlord agrees, upon Franchisor's written request, to assign to Franchisor any and all rights that Landlord may have under the Lease to remove and evict Tenant from the Premises and shall cooperate with Franchisor in order to pursue such action to a conclusion.

(d) If Franchisor cures Tenant's default or notifies Landlord of the termination of the Franchise Agreement, Franchisor shall have the right and option, upon written notice to Landlord, to do the following:

1. Undertake to perform the terms, covenants, obligations and conditions of the Lease on behalf of the Tenant (notwithstanding any removal or eviction of Tenant) for a period not to exceed six (6) months from the first (1^{st}) date of any cure by Franchisor; or

2. At any time within or at the conclusion of such six (6) month period, assume the terms, covenants, obligations and conditions of the Lease for the remainder of the term, together with any applicable renewal options. In such event, Landlord and Franchisor shall enter into an agreement to document such assumption. Franchisor is not a party to the Lease and shall have no liability under the Lease unless and until said Lease is assigned to, and assumed by, Franchisor as herein provided.

(e) If, during the six (6) month period set forth in section (d)(1) above or at any time after the assignment contemplated in section (d)(2), Franchisor shall notify Landlord that the franchise for the Unit is being granted to another Brand Restaurant franchisee, Landlord shall permit the assignment of the Lease to said franchisee without the payment of any fee or other cost requirement, provided that said franchisee meets Landlord's reasonable financial qualifications. Landlord shall not unreasonably withhold consent to such assignment. Thereafter, Franchisor shall be released from any and all further liabilities under the Lease. The parties agree to execute any commercially reasonable documents in furtherance of this section.

(f) Tenant will not assign the Lease or renew or extend the term thereof without the prior written consent of Franchisor, nor shall Landlord and Tenant amend or otherwise modify the Lease in any manner that could materially affect any of the foregoing requirements without the prior written consent of Franchisor.

(g) Franchisor shall have the right to enter the Premises to make any modification or alteration necessary to protect the Licensed Brand system and 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. Landlord shall not be responsible for any expenses or damages arising from any such action by Franchisor. Tenant hereby releases, acquits and discharges Franchisor and Landlord, their respective subsidiaries, affiliates, successors and assigns and the officers, directors, shareholders, partners, employees, agents and representatives of each of them, from any and all claims, demands, accounts, actions and causes of action, known or unknown, vested or contingent, which any of them may have, ever had, now has, or may hereafter have by reason of any event, transaction or circumstance arising out of or relating to the exercise of Franchisor's rights pursuant to the Addendum.

(h) All notices sent pursuant to this Addendum shall be sent in the manner set forth in the Lease, and delivery of such notices shall be effective as of the times provided for in the Lease. For purposes of notice under the Lease, Franchisor's email address shall be, Hew Woong Yong, Email: woongyong@paradisegroup.com.sg, which address may be changed by written notice to Landlord in the manner provided in the Lease.

ATTACHMENT G

DEVELOPMENT SCHEDULE

Development Period	Expiration Date of Development Period	Minimum Number of Brand Restaurants Located in the Territory Which Developer Shall Open During Period	Cumulative Total Number of Brand Restaurants Located in the Territory Which Developer Shall Have Open and in Operation
1			
2			
3			
4			
5			

ATTACHMENT H

CERTAIN DEFINITIONS

An "affiliate" of a named person is any person or entity that is controlled by, controlling or under common control with such named person.

"Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state, regional, or municipal laws, ordinances, regulations, policies, lists and any other requirements of any Governmental Authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control (a.k.a. OFAC)) addressing or in any way relating to terrorist acts and acts of war.

"Business Day" means each day other than a Saturday, Sunday, U.S. holidays or any other day on which the Federal Reserve is not open for business in the United States.

"Confidential Information" means all proprietary and confidential information relating to the establishment and operation of Brand Restaurants, including, without limitation: (i) Franchisor's standards and specifications, including equipment, product, inventory, and supplier standards and specifications; (ii) site selection criteria; (iii) advertising and marketing plans and programs; (iv) research, development and test programs for products, inventory, services and operations; (v) the contents of the Manuals; (vi) knowledge of the operating and financial results of Brand Restaurants, other than Developer's Brand Restaurants; (vii) computer programs and systems, including electronic data files and passwords, and (viii) Improvements (as defined in Section 9.F.).

"Controlling Interest" means (a) if Developer is a corporation, that the Principals, either individually or cumulatively, (i) directly or indirectly own at least fifty-one percent (51%) of the shares of each class of Developer's issued and outstanding capital stock and (ii) be entitled, under its governing documents and under any agreements among the shareholders, to cast a sufficient number of votes to require such corporation to take or omit to take any action which such corporation is required to take or omit to take under this Agreement, or (b) if Developer is a partnership, that the Principals (i) own at least fifty-one percent (51%) interest in the operating profits and operating losses of the partnership as well as at least fifty-one percent (51%) ownership interest in the partnership (and at least fifty-one percent (51%) interest in the shares of each class of capital stock of any corporate general partner) and (ii) be entitled under its partnership agreement or applicable law to act on behalf of the partnership without the approval or consent of any other partner or be able to cast a sufficient number of votes to require the partnership to take or omit to take any action which the partnership is required to take or omit to take under this Agreement.

"Development Period(s)" means the discrete periods set forth in the Development Schedule within which Developer must establish and have in operation the designated number of Brand Restaurants.

"Development Schedule" means, collectively, the schedule set forth on Attachment G to this Agreement which designates the number of Brand Restaurants to be established and operated by Developer in the Territory upon the expiration of each designated Development Period.

"Force Majeure" means acts of God, strikes, lockouts or other industrial disturbances, war, terrorism, riot, epidemic, pandemic, fire or other catastrophe or other forces beyond Developer's control.

"Franchise Agreements" means franchise agreements for Brand Restaurants executed pursuant to this Agreement, as described in Section 3.A.1.

"General Manager" means a qualified individual who meets the requirements in Section 6.E. of this Agreement but who is not required to own an interest in Developer, designated by Developer and approved by Franchisor to supervise the Developer's operations under this Agreement.

"Internet" means a global computer-based communications network.

"Intranet" means a restricted global computer-based communications network.

"Licensed Brand" means "PARADISE DYNASTY". **[NTD: Insert any of the following as applicable: "BEAUTY IN THE POT"; "CANTON PARADISE"; "LENU"; "LE SHRIMP RAMEN"; "LÉTEN"; "PARADISE CLASSIC"; "PARADISE DYNASTY"; "PARADISE GROUP CATERING"; "PARADISE HOTPOT"; "PARADISE TEOCHEW"; "PARATHAI"; "SEAFOOD PARADISE"; "TASTE PARADISE".]**

"Operating Principal" has the meaning described in Section 6.E.

"Principals" shall include, collectively and individually, Developer's spouse (if Developer is an individual) all officers and directors of Developer (including the officers and directors of any general partner of Developer) whom Franchisor designates as Developer's Principals and all holders of an ownership interest in Developer and of any entity directly or indirectly controlling Developer.

"Reserved Area" means any enclosed shopping center, amusement parks, theme parks, sports stadiums and arenas, airports, train stations, hospitals, schools, hotels, office buildings, and military bases.

"Taxes" means any present or future taxes, levies, imposts, duties or other charges of whatsoever nature, including any interest or penalties thereon, imposed by any government or political subdivision of such government on or relating to the operation of the franchised business, the payment of monies, or the exercise of rights granted pursuant to this Agreement, except taxes imposed on or measured by Franchisor's net income.

"Territory" means the geographic area described in Attachment E to this Agreement, excluding any Reserved Area (unless otherwise approved by us in writing).

STATE-SPECIFIC AMENDMENTS TO FRANCHISE AGREEMENT

AMENDMENT TO PARADISE FRANCHISING GROUP USA, LLC
DEVELOPMENT AGREEMENT
FOR THE STATE OF CALIFORNIA

The Paradise Franchising Group USA, LLC Development Agreement between _________________ ("Franchisee" or "you") and Paradise Franchising Group USA, LLC ("Franchisor" or "us"), dated ____________, 20__ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

CALIFORNIA LAW MODIFICATIONS

1. The California Department of Financial Protection and Innovations requires that certain provisions contained in franchise documents be amended to be consistent with California law, including the California Franchise Investment Law, CAL. CORP. CODE Section 31000 et seq., and the California Franchise Relations Act, CAL. BUS. & PROF. CODE Section 20000 et seq. To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

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

b. The 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.).

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

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

2. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on __________________, 20___.

FRANCHISOR:

Paradise Franchising Group USA, LLC,
a Delaware limited liability company

By: ____
Name:____________________________________
Title:_____________________________________

~~FRANCHISEE~~DEVELOPER:

____

By: ____
Name:____________________________________
Title:_____________________________________

AMENDMENT TO PARADISE FRANCHISING GROUP USA, LLC
DEVELOPMENT AGREEMENT
FOR THE STATE OF ILLINOIS

The Paradise Franchising Group USA, LLC Development Agreement between _________________ ("Franchisee" or "you") and Paradise Franchising Group USA, LLC ("Franchisor" or "us"), dated ____________, 20__ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

ILLINOIS LAW MODIFICATIONS

1. The Illinois Attorney General's Office requires that certain provisions contained in franchise documents be amended to be consistent with Illinois law, including the Franchise Disclosure Act of 1987, 815 ILCS 705/1 *et seq.* To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. Illinois Franchise Disclosure Act paragraphs 705/19 and 705/20 provide rights to You concerning nonrenewal and termination of this Agreement. If this Agreement contains a provision that is inconsistent with the Act, the Act will control.

b. Any release of claims or acknowledgments of fact contained in the Agreement that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act shall be void and are hereby deleted with respect to claims under the Act.

c. If this Agreement requires litigation to be conducted in a forum other than the State of Illinois, the requirement is void with respect to claims under the Illinois Franchise Disclosure Act.

d. If this Agreement requires that it be governed by a state's law, other than the State of Illinois, to the extent that such law conflicts with the Illinois Franchise Disclosure Act, Illinois law governing claims arising under the Act will control.

e. Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void. If this Agreement contains a provision that is inconsistent with the Act, the Act will control.

2. For info about obtaining a liquor license in Illinois, *see*: https://www.illinois.gov/ilcc/Pages/Forms-and-Applications.aspx

For info about obtaining TIPS certification in Illinois, *see*: https://www.tipscertified.com/tips-state-pages/illinois/

See: The Liquor Control Act of 1934, 235 ILCS 5/ (West 2018) for Illinois Dram Shop laws.

3. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Illinois Franchise Disclosure Act, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

4. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on ____________________, 20___.

FRANCHISOR:

Paradise Franchising Group USA, LLC,
a Delaware limited liability company

By: ____
Name:_____________________________________
Title:______________________________________

~~FRANCHISEE~~DEVELOPER:

____

By: ____
Name:_____________________________________
Title:____

AMENDMENT TO PARADISE FRANCHISING GROUP USA, LLC DEVELOPMENT AGREEMENT FOR THE STATE OF NEW YORK

The Paradise Franchising Group USA, LLC Development Agreement between ________________ ("Franchisee" or "you") and Paradise Franchising Group USA, LLC ("Franchisor" or "us"), dated ____________, 20__ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

NEW YORK LAW MODIFICATIONS

1. The New York Department of Law requires that certain provisions contained in franchise documents be amended to be consistent with New York law, including the General Business Law, Article 33, Sections 680 through 695. To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

   a. If the Developer is required in the Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the General Business Law, regulation, rule or order under the Law, such release shall exclude claims arising under the New York General Business Law, Article 33, Section 680 through 695 and the regulations promulgated thereunder, and such acknowledgments shall be void. It is the intent of this provision that non-waiver provisions of Sections 687.4 and 687.5 of the General Business Law be satisfied.

   b. If the Agreement requires that it be governed by the law of a state, other than the State of New York, the choice of law provision shall not be considered to waive any rights conferred upon the Franchisee under the New York General Business Law, Article 33, Sections 680 through 695.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the New York General Business Law, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

3. No statement, questionnaire, or acknowledgement signed or agreed to by you in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by us, any franchise seller, or any other person acting on behalf. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on ____________________, 20___.

FRANCHISOR:

Paradise Franchising Group USA, LLC,
a Delaware limited liability company

By: ______________________________________
Name: ____________________________________
Title: _____________________________________

DEVELOPER:

____

By: ______________________________________
Name: ____________________________________
Title: ____

AMENDMENT TO PARADISE FRANCHISING GROUP USA, LLC
DEVELOPMENT AGREEMENT
FOR THE STATE OF WASHINGTON

The Paradise Franchising Group USA, LLC Development Agreement between _________________ ("Franchisee" or "you") and Paradise Franchising Group USA, LLC ("Franchisor" or "us"), dated ____________, 20__ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

WASHINGTON LAW MODIFICATIONS

1. The Director of the Washington Department of Financial Institutions requires that certain provisions contained in franchise documents be amended to be consistent with Washington law, including the Washington Franchise Investment Protection Act, WA Rev. Code §§ 19.100.010 to 19.100.940 (1994). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

b. RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

c. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

d. A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

e. Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

f. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

g. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

h. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on ____________________, 20___.

FRANCHISOR:

Paradise Franchising Group USA, LLC,
a Delaware limited liability company

By: ______________________________
Name: ______________________________
Title: ______________________________

DEVELOPER:

____

By: ______________________________
Name: ______________________________
Title: ____

Summary report: **Litera Compare for Word 11.9.1.1 Document comparison done on 12/5/2024 12:02:44 PM**	
Style name: FDDs	
Intelligent Table Comparison: Active	
Original DMS: iw://americas-bm.imanage.work/NA_DMS/419683606/4	
Modified DMS: iw://americas-bm.imanage.work/NA_DMS/429244676/1	
Changes:	
Add	83
~~Delete~~	18
~~Move From~~	0
Move To	0
Table Insert	0
~~Table Delete~~	0
Table moves to	0
~~Table moves from~~	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	101

EXHIBIT E

FINANCIAL STATEMENTS

PARADISE FRANCHISING GROUP USA, LLC

FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REPORT

FOR THE YEARS ENDED JULY 31, 2024 AND 2023

TYWL CPA

THONG, YU, WONG & LEE, LLP

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TY CPA WL
CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

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ROSEMEAD, CALIFORNIA 91770

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The Board of Directors
Paradise Franchising Group USA, LLC
Irvine, California

Independent Auditors' Report

Opinion

We have audited the accompanying financial statements of Paradise Franchising Group USA, LLC (the "Company"), which comprise the balance sheets as of July 31, 2024 and 2023, and the related statements of operations and member's equity, and cash flows for the years ended July 31, 2024 and 2023, and the related notes to the financial statements.

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Emphasis of Matter–Member

As discussed in Note 1 to the financial statement, the Company has an agreement with its Member related to administrative, management, support activities, and various other items. The accompanying financial statement may not be indicative of conditions that would have existed if the Company had been operated as an unaffiliated entity without the support of its Member. Our opinion is not modified with respect to this matter.

Rosemead, California
October 22, 2024

PARADISE FRANCHISING GROUP USA, LLC
BALANCE SHEETS
JULY 31, 2024 AND JULY 31, 2023

ASSETS

	2024	2023
Current Assets		
Cash	$ 457,743	$ 695,730
Prepaid Expenses	-	23,000
Total Current Assets	457,743	718,730
Total Assets	$ 457,743	$ 718,730

LIABILITIES AND MEMBER'S EQUITY

	2024	2023
Current Liabilities		
Accounts Payable and Accrued Expenses	$ 5,644	$ 5,644
Advanced Deposits	-	225,000
Due To Paradise Group Holdings USA Inc	1,050	-
Total Current Liabilities	6,694	230,644
Member's Equity		
Contributed Capital	500,000	500,000
Member's Deficit	(48,951)	(11,914)
Total Member's Equity	451,049	488,086
Total Liabilities and Member's Equity	$ 457,743	$ 718,730

PARADISE FRANCHISING GROUP USA, LLC
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED JULY 31, 2024 AND 2023

	2024	2023
Operating Expenses	$ 35,937	$ 8,766
Loss from Operations	(35,937)	(8,766)
Provision for Income Tax	1,100	1,100
Net Loss	$ (37,037)	$ (9,866)

See Notes to Financial Statements and Independent Auditors' Report

PARADISE FRANCHISING GROUP USA, LLC
STATEMENTS OF MEMBER'S EQUITY
FOR THE YEARS ENDED JULY 31, 2024 AND 2023

	Contributed Capital	Retained Earnings	Total
Balance - August 1, 2022	$ 500,000	$ (2,048)	$ 497,952
Net Loss	-	(9,866)	(9,866)
Balance - July 31, 2023	$ 500,000	$ (11,914)	$ 488,086
Net Loss	-	(37,037)	(37,037)
Balance - July 31, 2024	$ 500,000	$ (48,951)	$ 451,049

PARADISE FRANCHISING GROUP USA, LLC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JULY 31, 2024 AND 2023

	2024	2023
CASH FLOW FROM OPERATING ACTIVITIES:		
Net Loss	$ (37,037)	$ (9,866)
Adjustments to Reconcile Income to Net Cash Provided by Operating Activities		
(Increase) / Decrease in		
Accounts Payable	1,050	916
Advanced Deposits	(225,000)	-
Prepaid Expenses	23,000	-
Total Adjustments	(200,950)	916
Net Cash Used in Operating Activities	(237,987)	(8,950)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(237,987)	(8,950)
Cash and Cash Equivalents - Beginning	695,730	704,680
Cash and Cash Equivalents - Ending	$ 457,743	$ 695,730

Supplemental Disclosure of Cash Flow Information	2024	2023
Cash Paid for Taxes	$ 1,100	$ 1,100

PARADISE FRANCHISING GROUP USA, LLC
NOTES TO FINANCIAL STATEMENTS
JULY 31, 2024 AND JULY 31, 2023

NOTE 1: ORGANIZATION

Paradise Franchising Group USA, LLC (the "Company"), a Delaware limited liability company (LLC), was formed on February 17, 2022, and is a wholly owned subsidiary of Paradise Group Holdings USA, Inc., (the "Member"). The Company is the franchisor of a full-service Asian restaurant concept "Paradise Dynasty" and, together with the Member, is in the business of operating the Paradise Dynasty concept to be an international diners' paradise for Oriental cuisine where gourmet menus meet with exceptional value, and tradition meets with innovation.

The Company's intermediate holding company, Paradise Group Holdings Pte. Ltd. ("Holdings") is the owner of all intellectual property rights in certain systems, trademarks, service marks, and other intellectual property used in the operation of Paradise Dynasty restaurants (the "Paradise IP"), and has licensed the Paradise IP and other know-how and confidential information to the Company to develop the Paradise franchise system to offer, sell, and support of the franchised business. The Company will franchise Paradise Dynasty restaurants throughout the United States through a 10-year royalty-free renewable trademark license agreement with Holdings. The license agreement grants the Company a non-exclusive right to use the Paradise IP, and to license the Paradise IP to franchisees under franchise agreements.

The Company has relied on resources from its Member to support initial operations, and the Member has committed to continue to provide financial support to the Company sufficient for the Company during the start-up phase of the franchising operations. Until such time that the Company is actively selling franchises and opening up franchise locations, it is dependent on its Member to provide financial resources, administrative, management, support activities, and various other items. The accompanying financial statement may not be indicative of conditions that would have existed if the Company had been operated as an unaffiliated entity.

NOTE 1: ORGANIZATION (CONTINUED)

The franchise agreements are typically for 5 years and will require the franchisee to pay an initial franchise fee for each location to be opened. Once the franchise begins operations, the Company will charge a royalty fee of five percent of the franchisee's gross sales or a minimum royalty. As of July 31, 2024, the Company had not sold rights to develop any franchises and the deposit received was related to interested franchisees that have not yet executed agreements. The Company does not operate, and has never operated any Paradise Dynasty restaurants, and the Company's future operations are dependent upon the success of the Member's business.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Company's financial statement has been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Company believes this information includes all adjustments, consisting of normal recurring accruals, necessary to fairly present the financial condition as of July 31, 2024 and July 31, 2023. References to ASC and ASU included hereinafter refer to the Accounting Standards Codification and Accounting Standards Update established by the Financial Accounting Standards Board (FASB) as the source of authoritative U.S. GAAP.

Use of Estimates

The preparation of the financial statement, in accordance with U.S. GAAP, requires that management makes certain estimates and assumptions. These estimates and assumptions affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities as of the balance sheet date. The actual results could differ significantly from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid debt instruments purchased with an original maturity of ninety days or less to be cash equivalents.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentration of Credit Risk

The cash balances of the Company are held primarily in one financial institution. If cash balances exceed the amounts covered by the Federal Deposit Insurance Corporation, the excess balances could be at a risk of loss.

Fair Value Measurements

The Company's financial instruments, none of which are held for trading purposes, include only cash. Management estimates that the fair value of all financial instruments at July 31, 2024 and July 31, 2023, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying financial statement.

Revenue Recognition

The Company's policy is to record revenue under FASB ASC Topic 606, *Revenue from Contracts with Customers* (Topic 606), which requires revenue to be recorded as the transfer of promised goods or services to customers in an amount that reflects the consideration to which the reporting entity expects to be entitled in exchange for those goods or services.

The Company has identified one performance obligation for the use of the license and intellectual property and will recognize the franchise and renewal fee over the term of the franchise and renewal periods, respectively. The Company has not yet generated revenue as of July 31, 2024. The following revenue recognition policies are in place as revenue is generated in future years:

Franchise Fee Revenues

The franchise arrangement between the Company and each franchise owner of a Paradise Dynasty restaurant is documented in the form of a franchise agreement and, in select cases, a development agreement. The franchise arrangement requires the Company as franchisor to perform various activities to support the Paradise Dynasty brand and does not involve the direct transfer of goods and services to the franchise owner as a customer.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Activities performed by the Company are highly interrelated with the franchise license and are considered to represent a single performance obligation, which is the transfer of the franchise license and intellectual property. The nature of the Company's promise in granting the franchise arrangement is to provide the franchise owner with access to the brand's intellectual property over the term of the franchise agreement.

Royalty Fee Income

Royalty fee income represents royalties earned from each of the franchisees in accordance with the franchise disclosure document and the franchise agreement for use of the Paradise Dynasty name, menus, processes, and procedures. The royalty rate in the franchise agreement is a minimum royalty fee or five percent of the gross sales of each store operated by each franchisee. Royalty income from franchised restaurants is recognized in the period earned and is payable to the Company weekly when the sales are reported by the franchisees.

Incomes Taxes

The Company is a single-member LLC and is treated as a disregarded entity. The Company's taxable income or loss is reportable by the Member on its income tax returns. Accordingly, no taxes payable of deferred tax assets or liabilities are reflected in this financial statement.

NOTE 3: MEMBER'S EQUITY

The Company's LLC operating agreement has a perpetual life. Excess cash flow, tax liability distributions, and profits and losses are to be distributed to the Member in accordance with the operating agreement. The liability of the Company's Member is limited to its specific capital balance. Upon liquidation of the Company, the net assets shall be distributed to the Member in accordance with the operating agreement.

NOTE 4: SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 31, 2024, (the date of which the financial statements were available to be issued). No events have occurred subsequent to July 31, 2024 which would have a material effect on the financial condition of the Company.

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The Board of Directors
Paradise Franchising Group USA, LLC
Irvine, California

Independent Auditors' Report on Supplementary Information

We have audited the financial statements of Paradise Franchising Group USA, LLC as of July 31, 2024 and 2023, and for the years ended July 31, 2024 and July 31, 2023, and our report thereon dated October 31, 2024, which expressed an unmodified opinion on those financial statements, appears on page 1-3. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Thong, Yu, Wong & Lee, LLP

Rosemead, California
October 22, 2024

PARADISE FRANCHISING GROUP USA, LLC
STATEMENTS OF OPERATING EXPENSES
FOR THE YEARS ENDED JULY 31, 2024 AND 2023

	2024	2023
Operating Expenses		
Professional Services Expense	$ 35,767	$ 8,622
Secretarial Fee	170	144
Total Operating Expenses	$ 35,937	$ 8,766

See Notes to Financial Statements and Independent Auditors' Report

PARADISE FRANCHISING GROUP USA, LLC

FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REPORT

TWELVE MONTHS ENDED JULY 31, 2023 AND PERIOD ENDED

FEBRUARY 17, 2022 (INCEPTION) TO JULY 31, 2022

THONG, YU, WONG & LEE, LLP

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The Board of Directors
Paradise Franchising Group USA, LLC
Irvine, California

Independent Auditors' Report

Opinion

We have audited the accompanying financial statements of Paradise Franchising Group USA, LLC (the "Company"), which comprise the balance sheets as of July 31, 2023 and July 31, 2022, and the related statements of operations and member's equity, and cash flows for the twelve months ended July 31, 2023 and period ended February 17, 2022 (inception) to July 31, 2022, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of July 31, 2023 and July 31, 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Emphasis of Matter–Member

As discussed in Note 1 to the financial statement, the Company has an agreement with its Member related to administrative, management, support activities, and various other items. The accompanying financial statement may not be indicative of conditions that would have existed if the Company had been operated as an unaffiliated entity without the support of its Member. Our opinion is not modified with respect to this matter.

Chang, Yu, Wong & Lee, LLP

Rosemead, California
March 20, 2024

PARADISE FRANCHISING GROUP USA, LLC
BALANCE SHEETS
JULY 31, 2023 AND JULY 31, 2022

ASSETS

	2023	2022
Current Assets		
Cash	$ 695,730	$ 704,680
Prepaid Expenses	23,000	23,000
Total Current Assets	718,730	727,680
Total Assets	$ 718,730	$ 727,680

LIABILITIES AND MEMBER'S EQUITY

	2023	2022
Current Liabilities		
Accounts Payable and Accrued Expenses	$ 5,644	$ 4,728
Advanced Deposits	225,000	225,000
Total Current Liabilities	230,644	229,728
Member's Equity		
Contributed Capital	500,000	500,000
Member's Deficit	(11,914)	(2,048)
Total Member's Equity	488,086	497,952
Total Liabilities and Member's Equity	$ 718,730	$ 727,680

PARADISE FRANCHISING GROUP USA, LLC
STATEMENTS OF OPERATIONS
FOR THE TWELVE MONTHS ENDED JULY 31, 2023 AND
PERIOD ENDED FEBRUARY 17, 2022 (INCEPTION) TO JULY 31, 2022

	2023	2022
Operating Expenses	$ 8,766	$ 2,048
Loss from Operations	(8,766)	(2,048)
Provision for Income Tax	1,100	-
Net Loss	$ (9,866)	$ (2,048)

See Notes to Financial Statements and Independent Auditors' Report

PARADISE FRANCHISING GROUP USA, LLC
STATEMENTS OF MEMBER'S EQUITY
FOR THE TWELVE MONTHS ENDED JULY 31, 2023 AND
PERIOD ENDED FEBRUARY 17, 2022 (INCEPTION) TO JULY 31, 2022

	Contributed Capital	Retained Earnings	Total
February 17, 2022 (Inception)	$ -	$ -	$ -
Contribution	500,000	-	500,000
Net Loss	-	(2,048)	(2,048)
July 31, 2022	$ 500,000	$ (2,048)	$ 497,952
Net Loss	-	(9,866)	(9,866)
July 31, 2023	$ 500,000	$ (11,914)	$ 488,086

See Notes to Financial Statements and Independent Auditors' Report

PARADISE FRANCHISING GROUP USA, LLC
STATEMENTS OF CASH FLOWS
FOR THE TWELVE MONTHS ENDED JULY 31, 2023 AND
PERIOD ENDED FEBRUARY 17, 2022 (INCEPTION) TO JULY 31, 2022

	2023	2022
CASH FLOW FROM OPERATING ACTIVITIES:		
Net Loss	$ (9,866)	$ (2,048)
Adjustments to Reconcile Income to Net Cash Provided by Operating Activities		
(Increase) / Decrease in		
Accounts Payable	916	4,728
Advanced Deposits	-	225,000
Prepaid Expenses	-	(23,000)
Total Adjustments	916	206,728
Net Cash (Used in)/ Provided by Operating Activities	(8,950)	204,680
CASH FLOW FROM FINANCING ACTIVITIES:		
Contributed Capital	-	500,000
Net Cash Provided by Financing Activities	-	500,000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(8,950)	704,680
Cash and Cash Equivalents - Beginning	704,680	-
Cash and Cash Equivalents - Ending	$ 695,730	$ 704,680

Supplemental Disclosure of Cash Flow Information	2023	2022
Cash Paid for Taxes	$ 1,100	$ -

NOTE 1: ORGANIZATION

Paradise Franchising Group USA, LLC (the "Company"), a Delaware limited liability company (LLC), was formed on February 17, 2022, and is a wholly owned subsidiary of Paradise Group Holdings USA, Inc., (the "Member"). The Company is the franchisor of a full-service Asian restaurant concept "Paradise Dynasty" and, together with the Member, is in the business of operating the Paradise Dynasty concept to be an international diners' paradise for Oriental cuisine where gourmet menus meet with exceptional value, and tradition meets with innovation.

The Company's intermediate holding company, Paradise Group Holdings Pte. Ltd. ("Holdings") is the owner of all intellectual property rights in certain systems, trademarks, service marks, and other intellectual property used in the operation of Paradise Dynasty restaurants (the "Paradise IP"), and has licensed the Paradise IP and other know-how and confidential information to the Company to develop the Paradise franchise system to offer, sell, and support of the franchised business. The Company will franchise Paradise Dynasty restaurants throughout the United States through a 10-year royalty-free renewable trademark license agreement with Holdings. The license agreement grants the Company a non-exclusive right to use the Paradise IP, and to license the Paradise IP to franchisees under franchise agreements.

The Company has relied on resources from its Member to support initial operations, and the Member has committed to continue to provide financial support to the Company sufficient for the Company during the start-up phase of the franchising operations. Until such time that the Company is actively selling franchises and opening up franchise locations, it is dependent on its Member to provide financial resources, administrative, management, support activities, and various other items. The accompanying financial statement may not be indicative of conditions that would have existed if the Company had been operated as an unaffiliated entity.

NOTE 1: ORGANIZATION (CONTINUED)

The franchise agreements are typically for 5 years and will require the franchisee to pay an initial franchise fee for each location to be opened. Once the franchise begins operations, the Company will charge a royalty fee of five percent of the franchisee's gross sales or a minimum royalty. As of July 31, 2023, the Company had not sold rights to develop any franchises and the deposit received was related to interested franchisees that have not yet executed agreements. For the twelve months ended July 31, 2023 and period ended July 31, 2022, advanced deposits amount to $225,000. The Company does not operate, and has never operated any Paradise Dynasty restaurants, and the Company's future operations are dependent upon the success of the Member's business.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Company's financial statement has been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Company believes this information includes all adjustments, consisting of normal recurring accruals, necessary to fairly present the financial condition as of July 31, 2023 and July 31, 2022. References to ASC and ASU included hereinafter refer to the Accounting Standards Codification and Accounting Standards Update established by the Financial Accounting Standards Board (FASB) as the source of authoritative U.S. GAAP.

Use of Estimates

The preparation of the financial statement, in accordance with U.S. GAAP, requires that management makes certain estimates and assumptions. These estimates and assumptions affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities as of the balance sheet date. The actual results could differ significantly from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid debt instruments purchased with an original maturity of ninety days or less to be cash equivalents.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentration of Credit Risk

The cash balances of the Company are held primarily in one financial institution. If cash balances exceed the amounts covered by the Federal Deposit Insurance Corporation, the excess balances could be at a risk of loss.

Fair Value Measurements

The Company's financial instruments, none of which are held for trading purposes, include only cash. Management estimates that the fair value of all financial instruments at July 31, 2023 and July 31, 2022, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying financial statement.

Revenue Recognition

The Company's policy is to record revenue under FASB ASC Topic 606, *Revenue from Contracts with Customers* (Topic 606), which requires revenue to be recorded as the transfer of promised goods or services to customers in an amount that reflects the consideration to which the reporting entity expects to be entitled in exchange for those goods or services.

The Company has identified one performance obligation for the use of the license and intellectual property and will recognize the franchise and renewal fee over the term of the franchise and renewal periods, respectively. The Company has not yet generated revenue as of July 31, 2023. The following revenue recognition policies are in place as revenue is generated in future years:

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Franchise Fee Revenues

The franchise arrangement between the Company and each franchise owner of a Paradise Dynasty restaurant is documented in the form of a franchise agreement and, in select cases, a development agreement. The franchise arrangement requires the Company as franchisor to perform various activities to support the Paradise Dynasty brand and does not involve the direct transfer of goods and services to the franchise owner as a customer. Activities performed by the Company are highly interrelated with the franchise license and are considered to represent a single performance obligation, which is the transfer of the franchise license and intellectual property. The nature of the Company's promise in granting the franchise arrangement is to provide the franchise owner with access to the brand's intellectual property over the term of the franchise agreement.

Royalty Fee Income

Royalty fee income represents royalties earned from each of the franchisees in accordance with the franchise disclosure document and the franchise agreement for use of the Paradise Dynasty name, menus, processes, and procedures. The royalty rate in the franchise agreement is a minimum royalty fee or five percent of the gross sales of each store operated by each franchisee. Royalty income from franchised restaurants is recognized in the period earned and is payable to the Company weekly when the sales are reported by the franchisees.

Incomes Taxes

The Company is a single-member LLC and is treated as a disregarded entity. The Company's taxable income or loss is reportable by the Member on its income tax returns. Accordingly, no taxes payable of deferred tax assets or liabilities are reflected in this financial statement.

NOTE 3: MEMBER'S EQUITY

The Company's LLC operating agreement has a perpetual life. Excess cash flow, tax liability distributions, and profits and losses are to be distributed to the Member in accordance with the operating agreement. The liability of the Company's Member is limited to its specific capital balance. Upon liquidation of the Company, the net assets shall be distributed to the Member in accordance with the operating agreement.

NOTE 4: SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 20, 2024, (the date of which the financial statements were available to be issued). No events have occurred subsequent to July 31, 2023 which would have a material effect on the financial condition of the Company.

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The Board of Directors
Paradise Franchising Group USA, LLC
Irvine, California

Independent Auditors' Report on Supplementary Information

We have audited the financial statements of Paradise Franchising Group USA, LLC as of July 31, 2023 and July 31, 2022 and for the twelve months ended July 31, 2023 and period ended February 17, 2022 (inception) to July 31, 2022, and our report thereon dated March 20, 2024, which expressed an unmodified opinion on those financial statements, appears on page 1-2. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Thong, Yu, Wong & Lee, LLP

Rosemead, California
March 20, 2024

PARADISE FRANCHISING GROUP USA, LLC
STATEMENTS OF OPERATING EXPENSES
FOR THE TWELVE MONTHS ENDED JULY 31, 2023 AND
PERIOD ENDED FEBRUARY 17, 2022 (INCEPTION) TO JULY 31, 2022

	2023	2022
Operating Expenses		
Professional Services Expense	$ 8,622	$ 1,727
Secretarial Fee	144	321
Total Operating Expenses	$ 8,766	$ 2,048

See Notes to Financial Statements and Independent Auditors' Report

THE FOLLOWING FINANCIAL STATEMENTS HAVE BEEN INTERNALLY PREPARED WITHOUT AN INDEPENDENT AUDIT

UNAUDITED BALANCE SHEET AND PROFIT AND LOSS STATEMENT AS OF ~~FEBRUARY 29,~~AUGUST 1, 2024 to NOVEMBER 1, 2024

Legal Entity: Paradise Franchising Group USA LLC

Profit & Loss
Periods 08/01/2024 to 11/01/2024

	USD
Operating Expenses	**94,819**
Total Operating Expenses	**94,819**
Income Tax	**0**
Total Income Tax	**0**
Net Profit / (Net Loss)	**(94,819)**

Legal Entity: Paradise Franchising Group USA LLC

Balance Sheet
As of 11/1/2024

	USD
ASSETS	
Current Asset	
Total Cash	**456,692**
Total Current Asset	**456,692**
Total ASSETS	**456,692**
LIABILITIES & EQUITY	
Liabilities	
Current Liability	
2110 - Accounts Payable (Control Account)	**97,962**
Total Accrued Expenses	**2,500**
Total Current Liability	**100,462**
Total Liabilities	**100,462**
Equity	
3200 - Paid in Capital	**500,000**
3300 - Retained Earnings	**(48,951)**
YTD Income	**(94,819)**
Total Equity	**356,230**
Total Equity	**356,230**
Total LIABILITIES & EQUITY	**456,692**

EXHIBIT F

OPERATIONS MANUAL TABLE OF CONTENTS

A. Service Operations Manual

1. Paradise Group House Rule

Topic:	Manual Page:	Pages:
Paradise Group House Rules	8 & 9	2

2. Personal Grooming SOP

Topic:	Manual Page:	Pages
Manager	10 - 13	4
Supervisor & Captain	14- 17	4
Hostess	18 – 21	4
Service Crew	22 - 25	4
Head Chef	26	1
Kitchen Cook	27	1

3. Store Opening SOP

Topic:	Manual Page:	Pages
PD 000F001-1 Roll Call Procedure	28 & 29	2
PD000F001-2 Communication Book	30	1
PD000F001-3 Daily Operation Checklist	31 & 31	2

4. Table Setting SOP

Topic:	Manual Page:	Pages:
Table Setting SOP	33 & 37	5

5. Greeting Customer SOP

Topic:	Manual Page:	Pages:
Greeting Customer SOP	38 -40	3
PD000F005-1 Reservation Sheet	41	1
PD00F007-1 Queue Record Sheet	42	1

6. Ushering Customer to the Table & Taking Order SOP

Topic:	Manual Page:	Pages:
Ushering Customer to the Table & Taking Order SOP	43 & 44	2

7. Serving & Refilling of Beverages SOP

Topic:	Manual Page:	Pages:
Serving & Refilling of Beverages SOP	45 & 46	2

8. Serving Food SOP

Topic:	Manual Page:	Pages
Serving Food SOP	47 & 48	2
Serving Ginger Slices SOP	49	1
Serving Dynasty Signature Xiao Long Bao SOP	50 & 51	2
Serving La Mian SOP	52 & 53	2
Serving Rice SOP	54	1
Apportioning La Mian SOP	55 & 56	2

9. Cutlery Changing SOP

Topic:	Manual Page:	Pages:
Cutlery Changing SOP	57 & 58	2

10. Dessert Ordering SOP

Topic:	Manual Page:	Pages:
Dessert Ordering SOP	59	1

11. Serving Ordering SOP

Topic:	Manual Page:	Pages:
Serving Ordering SOP	60 & 61	2

12. Ordering & Billing on POS SOP

Topic:	Manual Page:	Pages:
Ordering & Billing on POS SOP	62 - 74	13
HQ000G002-1 Cashflow Record Sheet	75	1

13. Clearing Tables SOP

Topic:	Manual Page:	Pages:
Clearing Tables SOP	76 - 78	3

14. Collection of Cutlery SOP

Topic:	Manual Page:	Pages:
Collection of Cutlery SOP	79 - 80	2
PD000F015- 1Monthly Breakages Record	81	1

15. Disinfecting Furniture SOP

Topic:	Manual Page:	Pages:
Disinfecting Furniture SOP	82	1

16. Chilli Sauce & Vinegar Preparation & Cleaning SOP

Topic:	Manual Page:	Pages:
Chilli Sauce & Vinegar Preparation & Cleaning SOP	83 & 84	2

17. Preparing & Washing of Water Container SOP

Topic:	Manual Page:	Pages:
Preparing & Washing of Water Container SOP	85 & 86	2

18. Arranging of Clean Dishes & Chopsticks SOP

Topic:	Manual Page:	Pages:
Arranging of Clean Dishes & Chopsticks SOP	87 – 89	3

19. Preparing & Washing of Tray

Topic:	Manual Page:	Pages:
Preparing & Washing of Tray	90 - 91	2

20. Cloth Colour Coding SOP

Topic:	Manual Page:	Pages:
Cloth Colour Coding SOP	92	1

21. Washing of Cloth SOP

Topic:	Manual Page:	Pages:
Washing of Cloth SOP	93 - 95	3

21. Washing of Cloth SOP

Topic:	Manual Page:	Pages:
Washing of Cloth SOP	93 - 95	3

22. Keeping of Condiment SOP

Topic:	Manual Page:	Pages:
Keeping of Condiment SOP	96 - 98	3

23. Customer Lost & Found SOP

Topic:	Manual Page:	Pages:
Customer Lost & Found SOP	99	1
PD000Fo25-1 Customer Lost Items Record Form	100	1

24. Handling Customer Complaint

Topic:	Manual Page:	Pages:
Handling Customer Complaint	101 – 102	2

25. Closing SOP

Topic:	Manual Page:	Pages:
Closing SOP	103	1
PD000F0027-1 Weekly Housekeeping Checklist	104	1

26. Bar Opening SOP

Topic:	Manual Page:	Pages:
Bar Opening SOP	105	1

27. Bar Closing SOP

Topic:	Manual Page:	Pages:
Bar Closing SOP	106	1
PD000B0002-1 Beverage Record Form	107	1

B. Kitchen Operations Manual

Topic:	Manual Page:	Pages:
PD000K001-1 Colour Coding Standard	109	1
PD000K001-2 Date Label Colour Coding Standard	110	1
PD000K001-3 General Product Shelf Life Chart	111	1

PD000K001-4 Product Shelf Life Chart	112-116	5

C. Front-of-House Operation Beverages

1. Beverage Station

Topic:	Manual Page:	Pages:
Beverages Station Familiarization	120	1
Common Utensil & Equipment	122	1
Serving Utensil	124	1
Drinks Storage Policy	126	1
Daily Opening Policy	128	1
Daily Closing Policy	130	1

2. Standard Operating Procedure

Topic:	Manual Page:	Pages:
Making Drinks & Tea SOP	132 - 133	2
Serving Drinks SOP	134 - 135	2

- Total Manual Pages 135

EXHIBIT G

CURRENT AND FORMER FRANCHISEES

Current Franchisees

Names of all current franchisees (as of the end of our last fiscal year) and the address and telephone number of each of their outlets:

Franchisee	Territory	Outlet Address	Outlet Contact No
PT Boga Makmur Dinasti	Indonesia	1) Plaza Senayan, Plaza Senayan Lt. 5 Unit Cp 512 – 513, Jl. Asia Afrika No.8, RT.1/RW.3, Gelora, Kota Jakarta Pusat, DKI Jakarta 10270 2) Ciputra World – Surabaya, Ciputra World Lantai 3 No. 6-7, Jalan Mayjen Sungkono No. 87-89, Gunungsari, Dukuh Pakis, Gn. Sari, Dukuh Pakis, Kota SBY, Jawa Timur 60224, 3) Central Park Mall, Jl. Letjen S. Parman No.28, RT.9/RW.5, Tj. Duren Sel., Grogol Petamburan, Kota Jakarta Barat, DKI Jakarta 11470 4) Copia Mal Centre Point, Centre Point Mall,Lantai 1,No. 7A, Jalan Timor, Gg. Buntu, Medan Tim., Kota Medan, Sumatera Utara 20153 5) Lippo Plaza Mall, Ground floor Unit #02, Jl. Imam Bonjol No.6, Suka Damai, Medan Polonia, Kota Medan, Sumatera Utara 20112, Indonesia 6) Terminal 3, International Bandara Soekarno Hatta F&B Unit 10, Tengerang	1) +6221 5790 0146 2) +6231 5120 0155 3) +6221 2920 0318 4) +6261 8051 0711 5) +6261 6200 1302 6) +62 21 8082 2114

		7) Central Market, Golf Island, Kawasan Pantai Maju, Jl. Boulevard Raya Jl. Pantai Indah Kapuk No.05, Kamal Muara, Kec. Penjaringan, Daerah Khusus Ibukota Jakarta 14470, Indonesia 8) Mall 3, Pondok Indah Mall L3, Unit 311A – 311B, Jakarta, Jakar Selatan 12310 9) Jl. Pluit Karang Ayu 1, RT.3/RW.9, Pluit, Penjaringan, North Jakarta City, Jakarta 14450, Indonesia 10) Gading Serpong, Jl. Boulevard Raya Gading Serpong, Pakulonan Bar., Kec. Klp. Dua, Kabupaten Tangerang Banten 15810, Indonesia 11) Jl. Boulevard Raya, Klp. Gading Tim., Kec. Klp. Gading, Jkt Utara, Daerah Khusus Ibukota Jakarta 14240, Indonesia	7) +62 821 25101093 8) +62 0822 8931 5858 9) +6221 5790 0146 10) +62 823-2092-5656 11) +62 823-2092-5656
Dinelink Inc	Philippines	1) 2/L, S Maison, Conrad Hotel, Mall of Asia Complex 1300 Pasay City 2) The Podium, Level 2, 18 ADB Ave, OrtigasCenter, Mandaluyong, 1550 Metro Manila, Philippines 3) SM Aura Premier, Level 2, C5 Corner 26th Street, Bonifacio Global City, Taguig City	1) +63 828 8333 2) +63 828 8333 3) +63 828 8333
Chip Mong Retail Co. Ltd.	Cambodia	1) 271 ~~Megamall~~, Phnom Penh 120101, Cambodia Phnom Penh	1) +855 93 860 111
OKA Signature Sdn Bhd	Malaysia	1) 03-01, OKA Signature Place, Jalan Setia Tropika 1/21, Taman Setia Tropika, 81200 Johor Bahru, Johor, Malaysia	019-7007988

Former Franchisees

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

Franchisee	Territory	Outlet/Contact No.	Remarks
Golden Legend	Myanmar	1) Junction Square, R49J+222 Crystal Tower, Kyun Taw Rd, Yangon, Myanmar 2) 33, Nawaday St., Corner of Bo Yar Nyunt St., Yaw Min Gyi Ward, Dagon, Yangon, Myanmar	Franchise Agreement expired 19 December 2021 and not renewed. Both outlets ceased operation on 19 December 2021

EXHIBIT H

STATE SPECIFIC ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT

ADDENDUM TO PARADISE FRANCHISING GROUP USA, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF CALIFORNIA

1. THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION REQUIRES THAT CERTAIN PROVISIONS CONTAINED IN FRANCHISE DOCUMENTS BE AMENDED TO BE CONSISTENT WITH CALIFORNIA LAW, INCLUDING THE CALIFORNIA FRANCHISE INVESTMENT LAW, CAL. CORP. CODE SECTION 31000 ET SEQ., AND THE CALIFORNIA FRANCHISE RELATIONS ACT, CAL. BUS. & PROF. CODE SECTION 20000 ET SEQ. TO THE EXTENT THAT THE FRANCHISE DISCLOSURE DOCUMENT/AND OR FRANCHISE AGREEMENT CONTAIN PROVISIONS THAT ARE INCONSISTENT WITH THE FOLLOWING, SUCH PROVISIONS ARE HEREBY AMENDED:

A. Item 3 of the franchise disclosure document is supplemented by the following language:

Neither we nor any person identified in Item 2 of the Franchise 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.

B. Item 17 of the Franchise Disclosure Document is supplemented by the following language:

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

b. 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.).

c. 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.

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

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

3. Each owner of the franchise is required to execute a personal guaranty. Doing so could jeopardize the marital assets of non-owner spouses domiciled in community property states such as California.

4. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA

DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

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

6. 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).

7. Corporations Code 31512 provides that: "Any conditions, stipulation or provision purporting to bind any person acquiring a franchise to waive compliance with any provision of this law or any rule or order hereunder is void." The franchise agreement requires a shortened status of limitations period. Pursuant to Corporations Code Section 31512, this provision is void, to the extent that it is inconsistent with the provisions of Corporations Code Sections 31303 and 31304. The franchise agreement limits the type of damages that a franchisee may recover, since this is not allowed under Corporations Code section 31300, and therefore the provision violates section 31512.

8. SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE TO YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.

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

10. Each provision of this addendum is effective only to the extent that the jurisdictional requirements of the laws described above, with respect to each provision of the law, are met independent of this addendum. This addendum will have no force or effect if such jurisdictional requirements are not met.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor.

ADDENDUM TO PARADISE FRANCHISING GROUP USA, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF HAWAII

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

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE. THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor.

ADDENDUM TO PARADISE FRANCHISING GROUP USA, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF ILLINOIS

1. Illinois law governs the Franchise Agreement.

2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement (or development agreement) that designates jurisdiction or venue outside the State of Illinois is void. However, arbitration may take place outside of Illinois.

3. Your rights upon termination and non-renewal of a franchise agreement (or development agreement) are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

5. Each provision of this addendum shall be effective only to the extent that the jurisdictional requirements of the Illinois Franchise Disclosure Act, with respect to each such provision, are met independent of this addendum. This addendum shall have no force or effect if such jurisdictional requirements are not met.

6. For info about obtaining a liquor license in Illinois, *see*: https://www.illinois.gov/ilcc/Pages/Forms-and-Applications.aspx

For info about obtaining TIPS certification in Illinois, *see*: https://www.tipscertified.com/tips-state-pages/illinois/

See: The Liquor Control Act of 1934, 235 ILCS 5/ (West 2018) for Illinois Dram Shop laws.

7. No statement, questionnaire, or acknowledgement signed or agreed to by a franchise in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**ADDENDUM TO PARADISE FRANCHISING GROUP USA, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF NEW YORK**

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR RESOURCES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal, or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions other than routine litigation incidental to the business that is significant in the context of the number of franchisees and the size, nature, or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten years immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

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

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

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; this proviso intends that the nonwaiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), titled "Termination by a franchisee": "You may terminate the agreement on any grounds available by law."

5. The following is added to the end of the "Summary" sections of Item 17(v), titled "Choice of forum," and Item 17(w), titled "Choice of law":

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or the franchisee by Article 33 of the General Business Law of the State of New York.

6. Franchise Questionnaires and Acknowledgements--No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

ADDENDUM TO PARADISE FRANCHISING GROUP USA, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF WASHINGTON

1. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

2. RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

3. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

5. Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

6. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

7. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

8. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any

document executed in connection with the franchise.

~~7.~~

New York Insert

(To be inserted immediately before the Acknowledgment of Receipt)

This Franchise Disclosure Document is amended by the addition of the following sentence:

Franchisor represents that this prospectus does not knowingly omit any material fact or contain any untrue statement of a material fact.

State Effective Dates

The following states have franchise laws that 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 document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	**Effective Date**
California	~~April 10, 2024~~[PENDING]
Hawaii	~~April 3, 2024~~[PENDING]
Illinois	~~April 29, 2024~~[PENDING]
New York	[PENDING]
Washington	[PENDING]

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

RECEIPT

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

If Paradise Dynasty Franchising, USA, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Applicable state laws in (a) Connecticut and Michigan require us to provide you the disclosure document at least 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, (b) New York requires us to provide you the disclosure document at the earlier of the first personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, and (c) Iowa and Maine require us to provide you the disclosure document at the earlier of the first personal meeting or 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If Paradise Dynasty Franchising, USA, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency (as listed in ***Attachment A*** to this disclosure document).

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

Name	Principal Business Address ~~[email]~~	Telephone Number
Hew Woong Yong	2525 Main Street Suite 107 Irvine, CA 92614, USA	+1 949 932 0287

Issuance Date: ~~April 1~~October 22, 2024

I received a disclosure document dated ~~April 1~~October 22, 2024. The disclosure document included the following Exhibits and Attachments:

Exhibit A	List of State Administrators
Exhibit B	Agents for Service of Process
Exhibit C	Franchise Agreement
Exhibit D	Development Agreement
Exhibit E	Financial Statements
Exhibit F	Manual Table of Contents
Exhibit G	List of Current Franchisees And Who Have Left the System
Exhibit H	State Specific Addenda to Franchise Disclosure Document

Dated:

Individually and as an Officer of the company designated below or a company to be formed and designated below on formation

Printed Name

o ______________________________

f

(a ~~Company Name~~______________ Corporation)

(a Partnership)

(a ~~Company formation state and~~ Limited Liability Company)

~~structure~~_________________________

~~(Keep this page for your records.)~~

RECEIPT

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If Paradise Dynasty Franchising, USA, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Applicable state laws in (a) Connecticut and Michigan require us to provide you the disclosure document at least 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, (b) New York requires us to provide you the disclosure document at the earlier of the first personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, and (c) Iowa and Maine require us to provide you the disclosure document at the earlier of the first personal meeting or 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

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Exhibit H	State Specific Addenda to Franchise Disclosure Document

Dated:

Individually and as an Officer of the company designated below or a company to be formed and designated below on formation

Printed Name

of ______________________________

(a Corporation)
(a Partnership)
(a Limited Liability Company)

~~(Sign and return this page.)~~

Summary report: **Litera Compare for Word 11.9.1.1 Document comparison done on 12/5/2024 12:53:20 PM**	
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Intelligent Table Comparison: Active	
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Embedded Excel	0
Format changes	0
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