FRANCHISE DISCLOSURE DOCUMENT

R&B Tea USA LLC
a California limited liability company
~~12771 Western Ave, Unit~~1515 East
McFadden Ave ~~B~~
~~Garden Grove~~Santa Ana, CA
~~92841~~92705
(714) 656-5702
www.rbteausa.~~us~~com

The franchises described in this disclosure document are for the development and operation of **R&B®** Store which feature primarily gourmet teas, coffee, various flavored tea-based beverages, boba tea and related beverages and food.

The total investment necessary to begin operation of each franchised Store is $~~248~~258,000 to $~~858~~868,000. This includes the $~~30~~35,000 that must be paid to the franchisor for the Initial Franchise Fee. If You are an Area Developer, You are required to pay the franchisor a nonrefundable Development Fee equal to the Initial Franchise Fee for the first Required Store plus $10,000 for each additional Required Store.

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 government 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 disclosure in different formats, contact Teresa Mai Le, LLC Manager, at the above address and telephone number.

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

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

Issuance Date: April 25, 2023

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 out more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits, or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit F.
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 G 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 R&B 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 R&B franchisee?	Item 20 or Exhibit F 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 similar businesses 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 registration requirement, or to contact your state, use the agency information in Exhibit D.

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. **<u>Out-of-State Dispute Resolution.</u>** The franchise agreement requires you to resolve disputes with the franchisor by arbitration and/or litigation only in the state in which our principal place of business is located (currently Orange County, California). Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the franchisor in the state in which our principal place of business is located (currently Orange County, California) than your own state.

2. **<u>Personal Liability</u>**. Franchisees must sign a personal guarantee, making you and your spouse individually liability for your financial obligations under the agreement if you are married. The guarantee will place your and your spouse's marital and personal assets at risk, perhaps including your house, if your franchise fails.

~~3. **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 franchisor in a system with a longer operating history.~~

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

MICHIGAN STATE LAW ADDENDA

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

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

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

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

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

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

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

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

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

(i) The failure of the proposed transferee to meet our then current reasonable qualifications or standards.

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

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

(iv) You or your proposed transferee's failure to pay any sums owing to us or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

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

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

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

Any questions regarding this notice should be directed to: Telephone Number: (517) 373-7117

State of Michigan, Department of Attorney General
Consumer Protection Division, Attn: Franchise
670 Law Building
Lansing, Michigan, 48913

TABLE OF CONTENTS

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

To simplify the language in this disclosure document, the words "**We**", "**Us**", or "**Our**" mean the franchisor R&B TEA USA LLC. "**You**" or "**Your**" means the person who buys the franchise and signs Our franchise Agreement, and includes Your owners if You are a corporation, limited liability company, partnership or other business entity. Bold face terms are for ease of reference only.

Franchisor

We are a California limited liability company formed on October 20, 2020 to franchise and administer businesses using the trademark R&B® ("**Stores**"). Our principal business address is 12771 Western Ave, Unit B, Garden Grove, CA 92841; tel: (714) 656 5702. We are not engaged in any other business activities and have never offered franchises in any other lines of business. Our agents for service of process are listed on **Exhibit D.**

We do not currently operate any R&B Stores. Our affiliates currently operate ~~five~~ three (~~5~~3) Southern California outlets similar to the Store being offered to You ("**Company Stores**"). These affiliates have not offered franchises in this or any other lines of business. We began offering franchises in August 2021.

Our affiliate, PCTC International Inc., a California corporation formed on March 4, 2019 ("**PCTC**") sells equipment to Franchisees and is also an approved supplier of merchandise, supplies and items bearing the R&B trademarks. Its principal business address is 12771 Western Ave, Unit B, Garden Grove, CA 92841. ~~PCTC also has ownership in an ice cream store, SomiSomi, which is located in Mira Mesa, CA.~~ Other than the ice cream outlet, PCTC does not conduct any business activities other than in connection with the Stores.

As of April 13, 2022, there were fifteen Stores currently open and operated by licensees ("**Licensed Stores**"), three in Texas and twelve in California. These Licensed Stores are similar to the Store being offered to You. Elementea International Private Limited ("**EIPL**") granted the Licensed Stores the right to operate under a License Agreement which was in violation of the California Franchise Investment Law for the offer and sale of an unregistered franchise. Additionally, there are ten licensees who have been offered franchises in California and will execute Franchise Agreements once the program is registered.

EIPL is a Singapore corporation owned by Chih-Wen Tan, the original owner of the R&B trademarks. Its principal business address is 10 Kaki Bukit Avenue 4, #09-74, Premier Kaki Bukit, Singapore 368088. Our owners developed the system, system standards, and provided training and operational support to these Licensed Stores. These License Agreements have been assigned to Us.

Description of the Franchise

We offer franchises for the operation of Stores which specialize in the sale of boba or “bubble” tea and similar beverages and food items. Each Store must follow a system (the "**System**") developed by PCTC and Our owners.

The System includes valuable knowhow, trade secrets, distinctive interior designs, trademarks, copyrights, proprietary products and software, confidential electronic and other communications, marketing programs and other business procedures as well as Our confidential Operating Manual (the “**Manual**”). Each Store will use Our System and operate according to Our standards, specifications, operating procedures and rules (the “**System Standards**”).

The Stores will use R&B and other designated trademarks, trade names, service marks and logos (**“Marks”)**. The Marks are owned by Super Tea International, a Seychelles corporation (“**Super Tea**”), which has granted Us a license for use of the R&B® trademark as part of a written trademark agreement. The trademark agreement has a five (5) year term and can be extended for additional five-year terms upon Super Tea’s approval. If the trademark agreement is terminated or not extended, Super Tea has the right, but not the obligation, to assume the Franchise Agreements and grant any renewals or extensions. If Super Tea does not assume the Franchise Agreements, Your franchise agreement will terminate at the end of its current term.

The System, System Standards and Manual were developed by PCTC and Our owners and are proprietary to Us. Our rights and obligations regarding use of the Marks are subject to the trademark agreement with Super Tea.

Stores typically range in size from 800 to 1,400 square feet with outside patio dining. They are typically high visibility in-line or end caps located in active and demographically dynamic markets that offer a mix of retail, residential, office, hotel and entertainment venues. Stores are conveniently located on major roadways with good visibility and easy accessibility.

The Stores have a unique atmosphere identified exclusively with the R&B brand name and every detail of the décor has been well planned to enhance the dining experience. The interior instantly conveys high energy and fun, while celebrating our rich history and signature products. The vibrant color accents, distinctive design textures and interior décor all combine to promise an experience consistent with the quality of the drinks and exceptional dining experience for the customer. Each Store’s manager and team enthusiastically serve high-quality drinks and food items prepared by a well-trained kitchen crew. Each Store has approximately 10 to 20 full and part time employees. Operating hours are typically 11:00 a.m. to 11:00 p.m.

Franchise Agreements

You must be approved both operationally and financially before opening each new Store. The first step is to file a Franchise Application and Questionnaire with Us. If We approve Your Franchise Application, You will execute a Franchise Agreement (**Exhibit A**) and pay the initial franchise fee. The initial term of each Franchise will be five (5) years with an option to renew for an additional five (5) year term. The option to renew is subject to the continuation of Our trademark agreement with Super Tea. Additional requirements of renewal are set forth below in Item 17(c) and in the Franchise Agreement in Section 3.2.

Area Development Agreements

We may offer to qualified multiple unit developers ("**Developers**") an Area Development Agreement for the opening and operation of a minimum of 2 franchised Stores, and preferably 3 or more franchised Stores within a designated area (“**Territory**”) pursuant to a mutually agreed upon Development Schedule. See **Exhibit B.** The Area Development Agreement grants the exclusive right and obligation to develop a minimum number of Stores within the Territory during a certain time period (the "**Required Stores**").

A Developer must pay Us a Development Fee. The primary purpose of the Development Fee is to pay Us for reserving the designated territory. You must execute Our then-current form of the Franchise Agreement for each Required Store. See ITEM 5 for initial fees. The term of the Area Development Agreement is subject to the continuation of Our trademark agreement with Super Tea.

Competition

The food service business is highly competitive. You will compete with a variety of food service establishments which may have financial, personnel, and technical resources far greater than Us or You, including fast food chains. You will compete for business in this highly competitive environment and understand that there is no guarantee of Your success. You will offer products and services to the general public and individual consumers, for on-site consumption and carry out.

Industry Regulation

Store development and operation is highly regulated at the federal, state and local levels. These include design and construction requirements and permits, Store health, safety and sanitation, employee tip reporting, employment conditions, handling and storage of waste and hazardous materials, access for disabled persons, advertising and food product labeling and menus. You must comply with all local, state and federal laws that apply to the operation of Your Store. You should investigate with your state and local agencies, the applicability of these and possibly other regulations in the area in which You are interested in locating Your Store and should consider both their effect and cost of compliance.

ITEM 2. BUSINESS EXPERIENCE

The business experience of Our officers, directors and key management for the last five years is as follows:

Teresa Mai Le: LLC Manager & CEO

Ms. Le has been Our LLC Manager and CEO since October 2020. She has been CEO of PCTC since March 2019 and Enlightea Group, Inc. since May 2019, both located in Garden Grove, CA. Ms. Le has been the Operations Manager of R&B Tea Garden Grove, Inc. since January 2018 and of R&B Tea Bolsa, Inc. since March 2018. She has been the Managing Partner since March 2019 of PSA, LLC located in Santa Ana, CA and Vice President since May 2020 of SLLLLLKP, LLC located in Los Angeles, CA. Ms. Le has been the CEO of Repro X-Press, Inc. since 2006 located in Montebello, CA and Managing Partner of PML Estate, LLC since 2012, located in Huntington Beach, CA.

Chau Pham (Jenny): Operations Manager

Ms. Pham has been Our Operations Manager since October 2020. She has been Operations Manager of PCTC since March 2019 and Enlightea Group, Inc. since May 2019. Ms. Pham is the CEO & CFO of R&B Tea Bolsa, Inc. since March 2018 and CFO of R&B Tea Garden Grove, Inc. since January 2018. She has been the CEO of Phat Chau Investments, LLC since August 2017 located in Artesia, CA. Ms. Pham has been since June 2016 the Manager of Dingtea San Diego, Inc. and Owner of B&L Savoury since May 2016, both located in San Diego, CA.

Phat Tan Nguyen (Eric): Vice President

Mr. Nguyen has been Our Vice President since October 2020. He has been Vice President of PCTC's since March 2019 and Enlightea Group, Inc. since May 2019. Mr. Nguyen has been the Operations Manager of R&B Tea Bolsa, Inc. since March 2018 and of R&B Tea Garden Grove, Inc. since January 2018. He was the CEO of Ding Win, Inc. from April 2019 to June 2020. Mr. Nguyen has been the LLC Manager of Phat Chau Investments, LLC since August 2017 located in Artesia, CA. He has been LLC Manager of Dingtea Las Vegas, Inc. located in Las Vegas, NV since February 2018, President of Dingtea San Diego, Inc. located in San Diego, CA since 2016 and President of Dingtea Bolsa, Inc. located in Westminster, CA since May 2015.

ITEM 3. LITIGATION

No litigation is required to be disclosed in this ITEM.

ITEM 4. BANKRUPTCY

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

ITEM 5. INITIAL FEES

Initial Franchise Fee

The Initial Franchise Fee for each new franchise Store is $~~30~~35,000. The Initial Franchise Fee is payment for services rendered prior to the opening of the Store.

There are no refunds of any part of the Initial Franchise Fee. All such fees payable to Us are intended to be "net" amounts and You must pay or reimburse Us for any sales, services, use or similar taxes which may be imposed upon any such fees.

Area Development Agreement

We are also offering franchises to qualified Developers who will develop and operate at least 3 to 5 Stores under an Area Development Agreement.

You must pay Us a nonrefundable Development Fee equal to the Initial Franchise Fee for the first Required Store plus $10,000 for each additional Required Store (as specified in the development schedule to hold the designated territory).

As You develop each Required Store, You will pay Us an Initial Franchise Fee less a credit from the Development Fee. The credit for the first Required Store is the full amount of the Initial Franchise Fee and $10,000 for each additional Required Store. For each Required Store opened under the Area Development Agreement, the Initial Franchise Fee, franchise term and franchise royalty fee will be the same as the 1st Required Store.

The term of the Area Development Agreement is subject to the continuation of the trademark agreement with Super Tea International. If the term expires before the time period set forth in the Development Schedule, the applicable development fee for the remaining Required Stores will be refunded. Otherwise, there are no refunds of any part of the Development Fee.

PCTC International Inc.

You must purchase ~~proprietary~~ equipment for Your Store from PCTC International Inc. ("**PCTC**"). A typical Store has three cup sealer machines, ~~two~~ one fructose dispensers and a tea extractor machine. The estimated cost ranges from $~~5~~4,000 to $~~8~~6,000 and depends on the size of Your Store.

ITEM 6. OTHER FEES

NAME OF FEE (1)	AMOUNT	DUE DATE	
Franchise Royalty Fee	6% of Gross Revenues	Monthly	See Note 2 and 3.
Local Marketing	1% of Gross Revenues	As Incurred	See Note 4.
System Brand Fund	When established, up to 2% of Gross Revenues	Monthly	See Notes 2, 3 & 5.
Supplier Approval Fee	Reasonable amount for Our costs and efforts (currently $1,500)	Upon request for approval	See Note 6.
Additional Training	Reasonable Fee (currently $500 per day)	Upon Invoice	See Note 7.
Late Payment Fees	$250 plus interest on late amounts at 18% or highest legal rate	Upon Invoice	
Attorney Fees	Reasonable amount to prevailing party in any legal proceeding	Upon conclusion of proceeding	See Note 9.
Transfer Fee	$10,000	Before transfer	See Note 10.
Renewal Fee	$20,000 for a five-year term.	Prior to Renewal	
Audit	Reasonable Accounting and Legal Fees	Upon invoice	See Note 11.
Insurance Premiums	What You have failed to pay the Insurer	Immediately upon Invoice	Payable to Us to reimburse Us for having to pay Your obligation.
Indemnification	Amount of claim and costs incurred	Upon Demand	See Note 12.
Liquidated Damages - Default	Lump Sum. Calculation based on number of months and Royalty Fee averages.	Upon Demand	See Note 13.

FOOTNOTES:

(1) All fees are imposed uniformly and paid to Us unless indicated otherwise. None of these fees are refundable for any reason except errors. All fees payable to Us are intended to be “net” amounts and You will pay or reimburse Us for any sales, services, use or similar taxes which may be imposed upon any such fees (specifically not to include income taxes).

(2) "**Gross Revenues**" is defined in the Franchise Agreement and includes all amounts received for services and product sales in or from the Store. "Gross Revenues" does not include sales taxes, complimentary employee meals, discounts, revenue derived from selling or issuing system gift or loyalty cards (although revenue derived from selling products and services to customers who use such cards for payment will be included in Gross Revenues), refunds or proceeds from the sale of furniture, equipment or similar items used in the Store.

(3) You must pay these fees no later than the fifth (5^{th}) day following the end of each month or such other time as may be designated in the Manual. You agree to pay all such Fees to Us by direct transfer of funds (“**EFT**”) or other method of payment designated by Us. You must submit, for each designated period, a sales report, and ensure that each account has sufficient funds for the transfer. Franchisees will not pay royalties for six months. Royalty payments begin the seventh month of operation.

(4) You must spend at least this amount monthly to conduct approved local advertising and sales programs for Your Store. If an advertising cooperative is established in Your area, You must join it and contributions to it will be applied toward this obligation.

(5) Once the System Brand Fund is established, We will deposit each payment into a separate bank account to be used for advertising and marketing purposes as described in ITEM 11. Stores operated by affiliates will also contribute to this Fund.

(6) We may impose reasonable inspection and supervision fees to cover Our costs in evaluating and maintaining alternative brands or suppliers You propose. Our current estimated cost is $1,500 although costs could exceed this amount depending on the product.

(7) The Initial Training is free for up to 2 people. This estimate is for additional training if You request Our assistance after Your Store opens or if We determine that You require Our assistance. Typically, additional training might include 1 to 2 persons for 5 days. Fees may not be uniformly imposed depending on specific circumstances. You must pay for the expenses of attending training, such as lodging, meals, transportation and wages of trainees.

FOOTNOTES CONTINUED:

(9) Such fees will vary based on circumstances and may include reimbursement for legal or accounting fees that occur as a result of any breach of the Franchise Agreement.

(10) Payable to Us for successor franchise. These Fees may not be uniformly imposed at all times.

(11) In addition to any additional fees found due as a result of an audit of Your financial records, You must pay Us Our audit cost if You have understated Gross Revenues by more than 2% of the actual Gross Revenues found by the audit. The cost of an audit varies widely depending on how well the books and records are kept, but We estimate the cost of an audit to be between $1,500 and $5,000.

(12) You must indemnify Us for claims relating to Your operation of the Store.

(13) If the Franchise Agreement is terminated due to Your default, You must pay Us liquidated damages equal to the average monthly Royalty Fees owed or paid during the 12 full calendar months of operation preceding the effective date of termination multiplied by (A) 24 (being the number of months in two (2) full years), or (B) the number of months remaining in the Agreement had it not been terminated, whichever is less.

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ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

	AMOUNT		METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
	Low	High			
Initial Franchise Fee (1)	$~~30~~35,000	$~~30~~35,000	Lump sum	Signing of Franchise Agreement	Us
Leasehold Improvements (2)	$75,000	$500,000	Varies	Prior to Opening	Approved Suppliers
Fixtures, Furniture, Equipment & Supplies (3)	$50,000	$100,000	Varies	Varies	Approved Suppliers
Signs (4)	$5,000	$25,000	Varies	Prior to Opening	Approved Suppliers
POS & Computer Equipment (5)	$2,500	$10,000	Varies	Prior to Opening	Approved Suppliers
Smallwares (6)	$5,000	$10,000	Varies	Prior to Opening	Approved Suppliers
Initial Inventory (7)	$15,000	$25,000	Varies	Prior to Opening	Approved Suppliers
Office Equipment and Supplies (8)	$500	$1,000	Varies	Prior to Opening	Approved Suppliers
Grand Opening Event (9)	$~~2~~5,000	$~~5~~10,000	Varies	Prior to Opening	Media companies
Insurance (10)	$5,000	$15,000	First year premium	Prior to Opening	Insurance companies
Lease Deposits (11)	$4,000	$20,000	Lump sum	Signing of Lease	Landlord
Professional Fees (12)	$2,000	$7,000	Varies	As Incurred	Accountants, lawyers, etc.
Permits & Licenses	$1,000	$5,000	Lump sum on application	Prior to Opening	Government agencies and bonding companies
Training Travel and Living Expenses (13)	$1,000	$5,000	As Incurred	Before and During Training	Airlines, Hotels, Businesses
Additional Funds – Three Months (14)	$50,000	$100,000	As Incurred		Employees, Suppliers, Utilities
TOTAL (15)	$~~248~~258,000	$~~858~~868,000	Excluding real estate costs		

The above are estimates based on Our experience with Company Stores, but Your costs will depend to a great extent on Your geographical area, Your decision on each issue, and the extent to which You follow the R&B System standards. We do not require You to purchase real estate, and the total estimated initial investment does not include the acquisition of real estate. Unless otherwise stated, We do not expect that any of the estimated investment amounts are refundable.

(1) You must pay the Initial Franchise Fee when You sign the Franchise Agreement and prior to opening Your Store. The Initial Franchise Fee for each new franchise Store is $~~30~~35,000 for a five (5) year franchise term. The Initial Franchise Fee is payment for services rendered prior to the opening of the Store. It is not refundable for any reason.

(2) Typically, R&B Stores are located in retail strip centers, shopping plazas or at stand-alone locations. The cost of purchasing or leasing and developing a site for a R&B franchise may vary considerably depending on such factors as geographic location, size, materials expense, subcontractor expense, tenant landlord improvement allowances, and the local real estate market. Depending on the floor plan, you will need a space between 800 to 1,400 square feet. You will pay all construction expenses, including the cost of all required site work, leasehold improvements, and permitting expenses. The high estimated amount is dependent on the extent of build out required. We can provide you with specifications and layouts for your R&B franchise location, including requirements for dimensions, design, image, interior layout, decor, fixtures, color scheme and other suggestions. You must have prepared, all at your expense, all required construction plans and specifications to suit the shape and dimensions of the franchise location and must ensure that the plans and specifications comply with all applicable federal, state or local laws, codes, regulations, ordinances, building codes and permit requirements and with lease requirements and restrictions. You should independently investigate all these costs in the area, and for the specific site, where You wish to establish Your Store.

(3) This is an estimate of the cost of leasing or purchasing required Store equipment, fixtures, furniture, and supplies. You must purchase proprietary equipment for Your Store from PCTC International Inc. ("**PCTC**"). A typical Store has three cup sealer machines, two fructose dispensers and a tea extractor machine. The estimated cost ranges from $5,000 to $8,000 and depends on the size of Your Store.

(4) This is an estimate of the cost of obtaining required interior and exterior signage at the franchise location, including the required types and amounts of signs that we specify.

(5) This is an estimate of the cost of leasing or purchasing the required point-of-sale system, and other related technology.

(6) Smallwares include small kitchen appliances, kitchen utensils, silverware, glassware, and tableware.

FOOTNOTES CONTINUED ON NEXT PAGE

NOTES:

(7) The initial inventory consists primarily of food, beverage and branded inventory. The amount will vary depending on the sales volume You anticipate as well as current market prices.

(8) This is an estimate of the cost of obtaining necessary office equipment and supplies, including office furniture.

(9) You and We will agree on a specific grand promotional program for Your new Store. The cost of this mandatory promotional program will range from $5,000 to $10,000. Stores being opened in a new trade area may require more initial spending than where Our brand is already known.

(10) You should have funds for one year's estimated insurance premiums. The cost of insurance varies depending on many factors. You should contact Your insurance agent and obtain an estimate of Your actual insurance costs.

(11) These estimates are the initial lease costs and based on the assumption that You will lease Your Store. A typical Store contains approximately 800 to 1,400 square feet of indoor space for an end cap unit. A lease normally requires payment of the first month's rent and a deposit equal to a second month's rent. The levels of rent can vary from area to area. They can also vary for different locations within the same area, such as a location within a mall or large shopping Store may be smaller but require higher rent. You should independently investigate all these costs in the area where You wish to establish Your Store.

(12) Professional fees include any amounts You spend for accounting or legal services in establishing the Store.

(13) Our initial training program is free for Your Designated Operator and other person. You must pay all travel, accommodation, and living expenses for any individuals that attend the initial training program.

(14) This estimate includes working capital for the first 3 months of operating the Store. These figures are estimates based upon our experience in opening and operating Our Company owned locations, and We cannot assure you that You will not have additional expenses in starting Your Store. Your costs will depend on factors such as how much You follow the System and its procedures, the local market for Store products, the prevailing wage rate, competition, and the sales level reached during the initial period.

(15) This is Our estimate of the total expenses to start Your Store. Except as otherwise noted, none of these payments are refundable. We will not finance any of these payments. The above are all estimates based on Our experience with the Company Stores. You should review these figures carefully with a business advisor, accountant or attorney before making any decision to purchase a franchise.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Each Store must be constructed or remodeled to Our specifications. You must obtain Our written approval of any proposed alterations to Our specifications before any work is begun. You must equip and supply Your Store from suppliers previously approved by Us ("**Approved Suppliers**").

To ensure that the highest degree of quality and service is maintained, You must operate Your Store in strict conformity with the methods, standards and specifications that We prescribe in the Manual or otherwise in writing. You must purchase Our proprietary machines, food products and items bearing our Marks which We or designated suppliers will sell to You at a reasonable markup.

Our approved Suppliers for Our proprietary teas, syrups, powders, boba, juices and R&B trademarks items are Sysco and PCTC. Currently, there are no other Approved Suppliers for these items. You must purchase the cup sealer machines, fructose dispensers and tea extractor machine from Our affiliate, PCTC. PCTC is the only Approved Supplier for these items.

You are not obligated to purchase anything else from Us or an affiliate, but You will be obligated to make 100% of Your purchases from Approved Suppliers. We may terminate Your franchise if You purchase goods or services that are not according to Our specifications or that are not from Our Approved Suppliers.

If We introduce proprietary Products and/or items bearing the Marks, You may be required to purchase them from an affiliate or Us. You may be required to purchase from Us in the future software, Internet, and multi-area marketing programs, and to participate in these programs. There are no such requirements at this time, and We estimate based on present circumstances, that these required purchases will be less than one percent of Your purchases and leases.

We may negotiate purchase arrangements with suppliers, including price and terms, for the benefit of franchisees and Company Stores. In order to maintain the uniformity and conformity within the System, You must cooperate with Us and participate in these programs and purchase the products from suppliers designated in the Manual so long as they are also required for all other franchisees similarly situated. We do not provide material benefits (for example renewal or additional franchises) to You based solely on Your use of Approved Suppliers.

We will specify Approved Suppliers and the products and services that are required to be purchased or leased in the Manual. These will include without limitation a back-office computer system, polling services, broadcast background music, television broadcasting, signs, camera system, menu boards, promotional materials, website maintenance, uniforms and supplies. The list of required items will be changed to meet current needs. We may update Our list of Approved Suppliers as We deem necessary or appropriate.

Approved Suppliers and specifications are determined based on the current needs for operating the Store. We evaluate Approved Suppliers based on price, service, quality, and other commercially reasonable benchmarks. We have the right to limit the number of vendors and suppliers for products, goods, supplies, fixtures and equipment. We also have the right to designate a single source of supply for certain products. We or an affiliate may be that single source.

If you want to purchase items from another supplier, you may request Our "Supplier Approval Form" and pay Our Supplier Approval Fee (currently $1,500). Based on the information and samples you supply Us, We may test the items supplied and review the proposed supplier's financial records, business reputation, delivery performance, credit rating and other information. We are not required to make available to You or any supplier Our criteria for product or supplier approval. We will complete Our review promptly, generally within 90 days.

We and Our affiliates reserve the right to receive rebates or other consideration from suppliers based on Franchisee purchases. Most of these payments are calculated on an amount based on products sold. During the last fiscal year, neither We, nor the Company received any revenues or rebates as a result of franchisee purchases. We do not have any purchasing or distribution cooperatives. Except for PCTC, none of Our officers own an interest in an Approved Supplier.

As of December 31, ~~2021~~2022, PCTC's revenues from the sale of goods and services to R&B Stores was approximately $~~451,507.01~~563,481.10 or ~~56~~69% of its total revenues of $~~806,262.53~~813,816.25.

Insurance:

The Franchise Agreement requires You to obtain insurance from Qualified Insurance Carriers satisfactory to Us. Each insurance company must be rated no less than A VII by A.M. Best and Company. The insurance You must obtain includes coverage during the construction of Your Store and its operation. We must be named as an additional insured on each policy except workers compensation insurance. The required insurance policies must have at least the minimum coverage specified in the Franchise Agreement. Your obligation to maintain this insurance will not be limited in any way by reason of any insurance We carry for Ourselves. The cost of insurance coverage will vary depending on the insurance carrier's charges, the terms of payment and your insurance history. You must also carry the insurance required by Your landlord and applicable law.

ITEM 9. FRANCHISEE'S OBLIGATIONS

THIS TABLE LISTS YOUR PRINCIPAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT ("FA"), AND THE AREA DEVELOPMENT AGREEMENT ("ADA"). IT WILL HELP YOU FIND MORE DETAILED INFORMATION ABOUT YOUR OBLIGATIONS IN THESE AGREEMENTS AND IN OTHER ITEMS OF THIS FRANCHISE DISCLOSURE DOCUMENT.

Obligation	Section in Agreement	Item in Disclosure Document
a. Site Selection and acquisition/lease	FA: §1.3 ADA: §§1.1, 4.2	Items 1, 11
b. Pre-opening purchases/leases	N/A	Items 7, 8, 11, 16
c. Site development and other pre-opening requirements	FA: §§4, 5 ADA: §§1, 2, 4	Items 1, 5, 7, 11, 12, 15
d. Initial and ongoing training	FA: §5 ADA: None	Items 1, 11, 17
e. Opening	FA: §7.8 ADA: §2	Items 5, 7, 11
f. Fees	FA: §§2, 3.2, 4.1, 4.8, 5.6, 11.5, 16.6 ADA: §§3, 4.3, 6.2(e)	Items 1, 5, 6, 7, 17, 19
g. Compliance with standards and policies/Manuals	FA: §4 ADA: §4.1	Items 1, 11
h. Trademarks and proprietary information	FA: §§4.5, 14 ADA: §4.4, 8.3	Items 13, 14
i. Restrictions on products & services offered	FA: §§4.4(a), 4.7, 4.8 ADA None	Items 8, 16
j. Warranty and customer service requirements	FA: §§4.3 ADA: None	Item 1
k. Territorial development and sales quotas	FA: §§1.2 ADA: §§1.1, 2, 4	Items 1, 12

Obligation	Section in Agreement	Item in Disclosure Document
l. Ongoing product/service purchases	FA: §§4.6, 4.7, 4.8 ADA: None	Items 8, 16
m. Maintenance, appearance & remodeling requirements	FA: §§3.2, 4.3 4.4, 4.6, 6 ADA: None	Item 17
n. Insurance	FA: §11 ADA: None	Item 7
o. Advertising	FA: §7 ADA: None	Items 6, 7, 11
p. Indemnification	FA: §10.2 ADA: None	Item 13
q. Owner's participation/ management/staffing	FA: §§4.2, 4.9, 4.10, 9.4, 13.2 ADA: §§8.4, 8.5	Item 15
r. Records/ Reports	FA: §§8, 9.3, 9.4 ADA: None	Items 6, 11
s. Inspections/Audits	FA: §9 ADA: None	Item 17
t. Transfer	FA: §13 ADA: §§1.5	Items 6, 17
u. Renewal	FA: §3.2	Items 6, 17
v. Post termination obligations	FA: §§4.9(f), 15 ADA: None	Item 17
w. Non-competition covenants	FA: §4.9 ADA: §8	Items 5, 17
x. Dispute resolution	FA: §§16.5, 16.7 ADA: §9	Item 17

ITEM 10. FINANCING

We do not offer direct or indirect financing. We do not guarantee Your note, lease or other obligation. ~~There are no waiver of defenses or similar provisions in any note, contract or other instrument executed by franchisees with Us~~.

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

Except as listed below, We need not provide any assistance to You.

A. Pre-opening. Before You open Your Store, We will:

1. Loan you a copy of Our confidential Manual, which contains mandatory and suggested specifications, standards, operating procedures and rules, in written and/or electronic form (Franchise Agreement, Section 4.4).

2. Conduct an initial training program for You and Your Designated Operator (Franchise Agreement, Section 5.1).

3. Provide You with assistance in locating the site for Your Store (Franchise Agreement, Section 1.3).

4. Review and comment certain provisions of Your proposed lease (Franchise Agreement, Sections 1.3 and 15.5).

5. Provide You with specifications and layouts for Your Store (Franchise Agreement, Section 1.6).

6. Approve, if it meets Our standards and specifications for approval, plans submitted by You for the design of Your Store. You are responsible for conforming premises to building codes and local ordinances. (Franchise Agreement, Section 1.6).

7. Assist You in developing a marketing program designed for Your Store's initial opening (Franchise Agreement, Section 7.8).

8. Advise and assist You in opening Your Store and be available to assist with its operations for as long as reasonably needed, in Our opinion (Franchise Agreement, Section 4.1).

B. Post-opening. During the operation of Your Store, We will:

1. Make available additional training programs as We deem appropriate (Franchise Agreement, Section 5.5).

2. Develop and administer, at Our discretion, advertising and promotion programs designed to promote the collective success of all Stores (Franchise Agreement, Section 7.3).

3. When established, administer the System Brand Fund ("**Brand Fund**") (Franchise Agreement, Sections 7.3 and 7.4).

4. Deposit Brand Fund Fees received into a separate account (Franchise Agreement, Sections 7.3).

5. Advise and assist You with operating Your Store, including periodic calls or visits by Our representatives (Franchise Agreement, Section 9.2).

6. Include information about your Store on Our website (Franchise Agreement, Section 7.8)

C. Site Selection.

You must select a site that meets Our approval. We will help You select a site for Your Store. Within three (3) months after execution of the Franchise Agreement, You should have located and obtained Our approval for the site of Your Store. If You have not done so, We will grant You additional 90-day extensions so long as We are satisfied that you are proceeding in good faith and with due diligence. You must use Our approved form to request each ninety-day extension. After the extensions, We may terminate the Agreement with no refunds if You have not obtained an approved site

We will consider, as part of site approval, a number of factors such as potential customer density levels, assessment of a demographic study of the customer mix compared to existing profiles already established by Us, assessment of competitor activity, revenue generators, traffic patterns of the area, as well as specific size, parking, and other physical characteristics of the proposed site itself. We will use reasonable efforts to make a site acceptance decision within 30 days after We acknowledge receipt of a complete site information form and any other materials We have requested Our approval means that the site and plans meet minimum specifications and is not a warranty of their appropriateness. We do not generally own the premises and lease it to franchisees.

D. Time Before Opening.

We believe that based upon Our experience, You should typically open a Store within nine to twelve months after executing the Franchise Agreement. This length of time may be affected by factors such as difficulties in obtaining a lease for an acceptable premise, financing arrangements, building or sign permits, or delays caused by zoning or local ordinances, weather conditions, labor strikes, shortages of products and installation of equipment, fixtures and signs. Failure to open within the specified time period is a breach of the Franchise Agreement and Your Franchise Agreement can be terminated. (Franchise Agreement Section 1.4)

You are responsible for conforming the premises to building codes and local ordinances. You must adhere to Our standards and specifications for the construction and design of the Store, which will include requirements for the interior and exterior layout, signage, equipment, fixtures and trade dress as designated in the Manual. You must obtain Our prior written approval of site-specific drawings/plans before beginning construction. You may not open Your Store without Our prior written consent and satisfaction of all pre-opening obligations stated in the Manual and the installation of all equipment, fixtures, furnishings and signs included in the plans and specifications approved by Us. You will be solely responsible for all hiring and employment decisions and functions relating to Your Store.

E. Advertising.

We will develop marketing, promotion and advertising programs designed to promote R&B businesses. Your participation in all such advertising and sales promotion programs must be in full and complete accordance with any terms and conditions as We may have established.

We will provide access to advertising and marketing materials and services to You. We currently conduct marketing at a trade area level to encourage visits from potential, as well as prior, customers. We may also use premium incentives and product awareness campaigns in advertising and promotion. Advertising media may include print, Internet, vehicle wraps, fundraisers, social networking sites, public relations campaigns and radio or television (primarily local in scope). Whenever possible, the material is produced in-house or provided by vendors.

You may develop advertising materials for Your own use at Your own cost. All advertising materials must have been approved by Us in advance and in writing. Approval takes between 30 and 60 days. All of Your advertising, promotion and marketing must be completely clear and factual, not misleading, and conform to the highest standards of ethical marketing and promotion policies and comply with all truth in advertising laws. You must submit to Us samples of all advertising, promotional and marketing materials (including Internet or electronic media marketing material) for Our prior written approval. You must only use advertising copy and other materials which are in strict compliance with Our requirements, as set forth in the Manual or otherwise.

There are no restrictions on Your advertising, except that You may not advertise independently on the Internet, including any social networking sites, or outside Your territory, and that Your advertising must be approved by Us, as stated above. You may not register any domain name or establish or maintain any website, social media site or otherwise maintain a presence or advertise on the internet or any other public computer network in connection with the unless We provide Our prior written approval. If such approval is granted by Us, You shall establish and operate such World Wide Web or Internet site in accordance with Our standards and policies as set forth in the Manual or otherwise in writing from time to time. You must adhere to the social media policies that We establish from time to time and must require Your employees to do so as well. You must participate in Our "eclub" marketing campaigns, Gift Card program, Loyal Customer program and similar marketing programs as they are developed.

Grand Opening. You must conduct a pre-approved grand opening promotion for Your Store. The cost of this mandatory promotional program will range from $~~2~~5,000 to $~~5~~10,000. Stores being opened in a new trade area may require more initial spending than where Our brand is already known. We will assist You in planning Your grand opening. We recommend that You have a 50% off day prior to the grand opening, and during the grand opening, we recommend a two-for-one promotion.

Local Advertising. You spend 1% of Your Store's Gross Sales monthly for pre-approved local advertising and promotion of Your Store in its trade area. You will submit confirmation of Your Local Advertising following the procedures and timing requirements designated in the Manual.

If an Advertising Cooperative ("**Ad Co-op**") is established for the area where Your Store is located, You must join, actively participate in and contribute to the Ad Co-op. Contributions to the Ad Co-op will be applied toward Your Local Marketing Commitment. Each Ad Co-op will be organized and governed in a form and manner and will operate according to written governing documents, all of which must be approved in advance by Us. The Ad Co-op may also serve as a means of exchanging ideas, sharing information and problem solving.

The Franchise Agreement gives Us the power to require Ad Co-ops to be formed, changed, dissolved or merged. You must contribute to the Ad Co-op up to 2% or more of Your Store's Gross Revenues, which is in addition to your contributions to the system-wide Brand Fund discussed below. The Ad Co-op members may agree to additional funding in accordance with its established Bylaws. We will oversee each Ad Co-op. If You are in default of the Franchise Agreement, You will not have voting privileges. The Ad Co-op may prepare annual or periodic financial statements, and these will be available to You upon request. We have the right to form, change, dissolve, and merge any Ad Co-op and to create and amend any organization and governing documents of any Ad Co-op in our sole business judgment.

System Brand Fund. In the future, We may decide that You and other operators must contribute 2% of Your Store's Gross Revenues to the Brand Fund. We will administer the Brand Fund and spend Brand Fund Fees only for the purposes described in the Franchise Agreement and follow the procedures contained in the Brand Fund Policy described in the Manual.

The Brand Fund will be used to develop, produce and administer marketing programs designed to increase sales for all Stores system wide. Advertising may be in the form of print ads, radio, television or electronic media and may be conducted on a regional and/or national basis. We may use a national or regional advertising agency or in-house advertising to create and place advertising. All interest earned on monies contributed to the Brand Fund will be used for the same purpose. Brand Fund contributions will not be targeted to advertise or sell franchises.

The purpose of the Brand Fund is to develop advertising and marketing programs that will benefit all Stores wherever located. We cannot ensure that the Brand Fund's expenditures will be equally beneficial or proportionate to each Store's contributions.

We will account for monies in the Brand Funds separately from Our other amounts received. Money from the Brand Fund may be used to pay Us for the reasonable salaries, administrative costs, maintaining and updating Our website, marketing surveys, travel expenses and overhead incurred by Us in the administration of that Fund and its programs. We will prepare an annual unaudited statement of monies collected and expenditures of the Funds and provide it to You upon Your written request. Stores operated by Our Affiliates will contribute to the Brand Funds at the same rate as Franchisees.

F. Computers; Computer Programs.

Your Store must have a point of sale ("**POS")** and computer system as specified in the Manual, which will operate Our currently approved software and allow You to participate in the Network. Your Store must also have one or more modems, fax machines, polling systems, digital menu boards, computerized safe systems and a telephone answering machine capable of voice mail recovery. We may require you to upgrade or update Your equipment, such as the computers, other hardware, programs, fax machine and telephone system, with reasonable limitation on the frequency or cost of this requirement. You are responsible for installing a broadband hook-up and other utilities for the Store.

Currently, We use Clover (Station Pro) Complete as Our approved point of sale system ("**POS**"), which You must purchase and install in Your Store. You must use your POS system to complete all sale transactions, and provide sales, accounting, and inventory reports. There is a monthly fee of $100.00 to $250.00 payable to Clover depending on software options selected. The cost to purchase the system is estimated at $2,500 or $150 a month to lease.

We will have independent access to the information that will be generated or stored in any electronic cash register or computer system, such as financial and marketing information. There are no contractual limitations on Our right to access this information.

All of the designated computer equipment and software is available generally at competitive prices. The purchase cost is estimated at $3,000 to $7,000. Your annual maintenance costs are estimated at $1,000 to $2,000. None of the above are proprietary properties of Us or our affiliates, and We are not obligated to provide or assist You in obtaining the above items or services. If We establish an online management and communication system for Store Operations, You must participate fully with its requirements as stated in the Manual.

G. Confidential Manual.

You may review Our Manual before purchasing a Franchise. You may not copy any of the information contained in the Manual, as it contains proprietary information. You must sign a confidentiality agreement regarding the Manual before Your review. (**Exhibit C**)

H. Training. Our Initial Training Program consisted of the following content according to the following general outline:

INITIAL TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Introduction to the Tea Market - Competition - Growth and Opportunity	1		Company Store
Marketing and Branding - Understanding the Our Brand and Position in the Market - How to create awareness - Driving Traffic into your stores - Our brand presentation	1		Company Store
Managing the Business and Overseeing Daily Operations - Hiring Staff and Managing your Team - Training your Staff - Hiring the Right People - HR responsibilities	1	1	Company Store

Maintaining the Equipment and Your Inventory Management - Knowing our Suppliers - Maintaining the Equipment - Inventory Management and Ordering	1	1	Company Store
System Software - Working with our POS Systems - Managing Transactions - Using technology to manage your customer relationships	1	1	Company Store
Preparing the Products and Knowing the Menu - How to make the products - Product Presentation	5	30	Company Store
- Q&A and Exam	2		Company Store
TOTALS:	12	33	

FOOTNOTES:

(1) The Initial Training, which consists of both classroom and hands-on-training, must be successfully completed to Our satisfaction four to five weeks prior to the opening of Your Store opens. Pre-opening training will consist of training at our training location, currently in Garden Grove, California. Initial training consists of one to two weeks of training. Any on-the-job training will be conducted at a designated R&B Store. We expect to conduct these training courses several times each year.

(2) You and/or Your Designated Operator must attend and successfully complete Our Initial Training. We may terminate the Franchise Agreement for failure to successfully complete this training course.

(3) We provide this Initial Training at no additional charge to You and Your Designated Operator if different from you and one other person. All of Your Managers must either attend and successfully complete Our training or otherwise become certified as required by the Manual. You will be responsible for paying all of Your personnel's travel, lodging and food costs.

(4) Our principal trainers have experience in Store operations with Us or with other food systems. Jenny Pham & Eric Nguyen have been in the food service industry for over five (5) years.

(5) The materials used in Our Initial Training are the Manual and other materials such as various videos, demonstrations and checklists. We may modify Our training programs at any time. We may develop audio-visual and other training materials at a reasonable charge.

(6) The actual hours will depend on a variety of factors, including the trainee's prior experience and his or her ability to pass any written and/or practical exams to Our reasonable satisfaction.

(7) As We deem necessary, We may provide employees (up to 2) for such a period of time to conduct on-site training before and during the opening of Your Store. We may charge Our then-current per diem per employee (Currently $500 per day), plus reasonable travel-related expenses for such on-site training and assistance.

(8) As We deem necessary, We may require that You and Your personnel attend additional training courses or programs covering operations and new product or procedure introductions. We may require You to pay a reasonable fee for the additional training. Currently, Our training fee is $500 per day. You must pay for all travel, lodging and food costs for You and Your personnel. We expect that additional training will be conducted at one Our Company Stores and will be one or two days in duration and cover changes in Store products and procedures. Under normal circumstances, the additional training will not occur more than once a year.

ITEM 12. TERRITORY

You must operate Your Store at a specific location selected by You and approved by Us. You will have the right and obligation to operate and maintain Your Store within a designated geographic area as described in this Item 12 (Your "**Territory**"). You will not receive an exclusive territory and You may face competition from other franchisees, from outlets that We own, or from other channels of distribution or competitive brands that We control.

We agree that unless Your Store is in a "high density area" (as defined below), We will not establish another R&B Store within three (3) miles of Your Store's front door, except for one or more "Non-Traditional Venue" Stores.

We have the discretion to determine what is to be considered a "**high density area**", which will typically be an area with a high degree of pedestrian traffic, such as a downtown portion of an urban area with high rise commercial buildings, or a densely populated residential area with primarily multi-family or apartment units, in which event You and We will agree on the area, if any, in which You will have the above territorial protection.

"**Non-Traditional Venue**" means a site or location for which the lessor, owner or operator thereof shall have indicated its intent to limit the operation of its food service facilities to itself or a master concessionaire or contract food service provider, and which site or location is either (i) within another primary business or (ii) at an institutional setting such as a school, college and university, military and other governmental facility, hospital, hotel, limited access highway, shopping mall, airport, toll road, office or in-plant food facility, sports arena and stadium, supermarket, grocery store or convenience store.

We have the sole and exclusive right to produce, license, distribute and market products using the Marks or other marks (such as pre-packaged products, beverages, books, clothing, souvenirs and novelty items) through any outlet anywhere, and through any distribution channels including the Internet. We reserve the right to use or license others to use Our name and other trademarks to distribute pre-packaged products. You will not receive any of these rights. We are not required to pay You for soliciting or accepting orders from inside Your territory.

The Franchise Agreement does not restrict Us from operating or authorizing others to operate other franchises or Company-owned Stores or other channels of distribution, at any location, from selling or leasing similar products or services under a name other than R&B. We do not currently intend to do so. We reserve all rights not expressly granted in the Franchise Agreement.

The Franchise Agreement will not grant You any options, rights of first refusal or similar rights to acquire additional franchises within Your Territory or contiguous areas. There is no minimum sales quota. You maintain rights to Your exclusive territory even though the population increases. Your territorial rights are not dependent upon achievement of a certain sales volume, market penetration or any other contingency, and it will not be altered except by mutual consent.

You must receive Our prior written approval before relocating the Store. Any request to relocate Your Store will be either approved or denied within 90 days of Our receipt of all relevant information. We may approve the relocation of Your Store in certain limited circumstances, such as loss of the location due to condemnation, eminent domain destruction, or loss of Your right of possession for reasons not caused by You.

<u>Area Development Agreement</u>.

During the term of an Area Development Agreement ("**ADA**"), We will not license or allow any other party to open a R&B business within Your designated Territory (except for one or more "**Non-traditional Venue"** Stores (defined above) or pursuant to the first refusal rights contained in Your Franchise Agreement.

If You materially breach the ADA and it is terminated, We will have full rights to franchise other parties to operate Stores within what was Your Territory, or to operate Stores Ourselves within that Territory.

If before the end of the term You have opened all of the Stores required by the ADA and We decide that one or more additional Stores should be developed within Your Territory, You will have the right of first refusal for the additional Store(s).

If We acquire any other Stores with the intention of converting them to Stores using Our Marks, You will have a right of first refusal to purchase and convert any of those Stores within Your Territory.

ITEM 13. TRADEMARKS

You will receive the right to operate a Store under the name R&B. You may also use other current or future Marks as We designate to operate Your Store. By Marks, We mean trade names, trademarks, service marks and logos used to identify and operate Your business. The following Marks have been registered on the United States Patent and Trademark Office ("**USPTO**") Principal Register:

Mark	Date	Registration Number
R&B	October 9, 2018	5581838

The above trademark is owned by Super Tea International, a Seychelles corporation. Super Tea has granted Us a license for use of the R&B® trademark, as part of a written trademark agreement dated August 11, 2021. The trademark agreement has a five (5) year term and can be extended for additional five-year terms upon Super Tea's approval.

If the trademark agreement is terminated or not extended, Super Tea has the right, but not the obligation, to assume the Franchise Agreements and grant any renewals or extensions. If Super Tea does not assume the Franchise Agreements, Your Franchise Agreement will terminate at the end of its current term.

You must follow Our rules when You use any of the Marks. All required affidavits have been filed. You may not use any of the Marks alone or with modifying words, designs or symbols as part of a corporate name or in any form on the Internet, including, but not limited to URLs, domain names, email addresses, locators, links, metatags or search techniques, except as We license to You or otherwise authorized in writing. You may not use any of the Marks in connection with the sale of an unauthorized product or service or in a manner not authorized by us in writing. Guidelines regarding proper trademark use and notices are set forth in the Manual and will be updated from time to time.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, and no pending infringement, opposition, or cancellation proceeding, or any pending material litigation, involving the Marks. Other than the trademark agreement with Super Tea, no agreements limit Our right to use or franchise the use of the Marks. We do not know of any infringing uses that could materially affect Your use of the Marks.

You must notify Us immediately after learning about an infringement of or challenge to your use of the Marks. We will take the action We think appropriate to protect the integrity and validity of the Marks. We are not required to take any specific action in regard to infringements involving the Marks. We have the sole right to control administrative proceedings or litigation regarding any trademark infringements. We will defend You and indemnify You if You are a party to a legal proceeding involving a Mark licensed by Us, used properly by You, and timely informed Us of the proceeding.

You must modify or discontinue the use of a trademark if We modify or discontinue it. We have the right to modify, add to, or discontinue use of the Marks, or to substitute different Marks. You must promptly comply with any required changes, revisions and/or substitutions, and You will pay all the costs of modifying Your signs, advertising materials, interior graphics and any other items which bear the Marks. You must not contest Our right to the Marks, trade secrets or business techniques.

ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

You do not receive the right to use an item covered by a patent or copyright, but You can use Our proprietary information in the Manual, training materials, including DVD and CD diskettes, electronic emails and confidential information. Although We have not made a copyright filing for the Manual, training materials, advertising materials and other written materials, We claim a copyright, and the information is proprietary and confidential, and they may only be used as provided in the Franchise Agreement. The Manual will remain Our sole property. You must keep the materials in a secure place on the Store premises.

You or Designated Operator may divulge confidential information only to those employees who must have access to it to operate the Store. The Manual may not be copied, recorded or otherwise reproduced without Our prior written consent. You agree to keep and respect all confidential information received from Us, and obtain from the Designated Operator, each of Your Store's managers, and other employees an agreement to keep and respect all such confidences. A copy of the employee confidentiality agreement is attached as **Attachment 4 to the Franchise Agreement.**

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

You or Your Designated Operator, who has successfully completed Our training program, must directly supervise and participate in the actual day-to-day operation of the Your Store.

Your Store must at all times have an on-site manager approved by Us and certified as designated in the Manual. You must take steps necessary to ensure that Your employees preserve good customer relations; render competent, prompt, courteous and knowledgeable service; and are properly trained. You and Your employees must handle all customer complaints, refunds, returns and other adjustments in a manner that will not detract from Our name and goodwill. You will be solely responsible for all employment decisions and functions of the franchised location, including those related to hiring, firing, training, wage and hour requirements, record-keeping, supervision, and discipline of employees.

If You are a legal entity such as a corporation, partnership or limited liability company, one of Your owners must be approved by Us to be Your full-time representative. All of Your owner(s) must personally guarantee the Franchise Agreement and, if applicable, the Area Development Agreement. We have the right to approve all owners and any future owners. If You are a legal entity, Your Designated Operator must own at least a 10% equity interest in such entity. Neither You nor Your Designated Operator may have an interest or business relationship with any of Our business competitors. The ADA requires You to designate an "**Authorized Principal**" who will have full authority to act on Your behalf in performing, administering or amending the ADA.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may offer and sell only those services and products that We have approved (see ITEM 8). You must offer all products and services that We designate as required for all franchisees. These required products and services are described in the Manual. You must obtain Our prior written approval for any other products and services to be sold by Your Store. If We implement customer satisfaction programs for all franchisees, You must participate fully with their requirements as stated in the Manual.

We may change the types of authorized products and services that you must offer from Your Store. There are no limits on Our right to make such changes. If You propose an additional product or service, You must submit it to Us for approval before offering it in Your Store. We may approve it initially for testing only. All proposals approved by Us will become Our property.

ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

THE FRANCHISE RELATIONSHIP

Provision	Section	Summary
a. Initial Term	FA: §3.1	Initial term of Franchise is 5 years and commences from the date on which You first operate Your Store.
b. Renewal or extension of the term.	FA: §3.2	The option to renew for an additional 5-year term is subject to the continuation of the trademark agreement with Super Tea. "**Renewal**" may require You to sign a contract with materially different terms and conditions than Your original contract.

		If Our trademark agreement with Super Tea is terminated or not extended, Your Franchise Agreement will terminate at the end of its current term unless Super Tea assumes Your Franchise Agreement, which it is not obligated to do.
c. Requirements for renewal or extension.	FA: §3.2	6-12 months' notice, no defaults during last 12 months, material and timely compliance with Franchise and other agreements during initial term, satisfied all monetary obligations owed to Us and Your suppliers, completed all required additional training, made all requested changes in operating personnel, modernized the Store and other equipment, payment of renewal fee, and signing of new Franchise Agreement which may have materially different terms and conditions than Your original Agreement and execution of a general release.
d. Termination by Franchisee.	FA: §15.2	You may terminate the Franchise Agreement on any grounds available by law.
e. Termination by Us without cause	None	
f. Termination by Us with cause.	FA: §15.1	We can terminate only if You default.
g. "Cause" defined as defaults which can be cured.	FA: §15.1	You have 30 days after notice to cure defaults (except defaults in payment to Us, in which case You only have 5 days to cure after notice). Includes defaults in other Franchise Agreements with Us. No cure period for default repeated twice within any twelve-month period.
h. "Cause" defined as defaults which cannot be cured.	FA: §15.1	Non-curable defaults: Failure to open in a specified time period, failure to complete training or allow inspection, bankruptcy or similar action, loss of possession, material misrepresentation in obtaining franchise, violation of health and safety laws, conviction of crime involving moral turpitude, failure to obtain consent to transfer rights or failure to offer first right of refusal.
i. Obligations on termination.	FA: §15.3	Immediate obligations include no more use of telephone numbers, trademarks or proprietary information; remove all Marks; return Our manuals and all other confidential materials; pay all amounts due to Us; and de-identify the Store.

j. Assignment of contract by Us.	FA: §13.8	No restriction on Our right to assign.
k. "Transfer" by You-definition	FA: §13.5	Includes transfer of rights under Franchise Agreement and ownership change.
l. Our approval of transfer by franchisee.	FA: §13.3	We have the right to approve all third-party transfers but will not unreasonably withhold approval.
m. Conditions for Our approval of transfer.	FA: §§13.4, 13.5, 13.6	No default, assets of the Store in standard condition, payment of all amounts owed to Us and Affiliates, payment of transfer fee, transferee qualifies and passes training, current Franchise Agreement signed by transferee, and release and non-competition agreement signed by You.
n. Our right of first refusal to acquire your business.	FA: §13.7	We can match any offer for the franchised business.
o. Our option to purchase your business	None	
p. Your death or disability.	FA: §13.6	Approval by Us of heir or sale within six months to an approved buyer.
q. Non-competition covenants during the term of the franchise.	FA: §4.9	No interest in a Store or similar business offering the same or similar services to those sold in a R&B business (“**Similar Business**”).
r. Non-competition covenants after the franchise is terminated, transferred or expires.	FA: §4.9	No interest in any Similar Business for 2 years within 10 miles of any Store in U.S. or Canada.
s. Modification of the agreement.	FA: §16.12	Only written and signed modifications, but Manual subject to change.
t. Integration/ merger clause.	FA: §16.11	The agreement between the parties is limited to the agreement and other documents referred to therein. Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation.	FA: §16.5	Except for certain claims, all disputes must be arbitrated in county where Our headquarters are located **(“Home County”**), currently Orange County, California.

v. Choice of forum	FA: §16.5	Except for injunctions, any arbitration or litigation must be in Home County. This provision may be subject to applicable state law.
w. Choice of Law.	FA: §16.7	Law of the State where the Store is located. This provision may be subject to applicable state law.

This table lists important provisions of the Area Development Agreement ("ADA"). You should read these provisions in the ADA attached to this disclosure document.

THE FRANCHISE RELATIONSHIP

Provision	Section	Summary
a. Initial Term	ADA: §2	Initial term is mutually agreed between You and Us. The term is subject to the continuation of the trademark agreement with Super Tea.
b. Renewal or extension of the term.	None	N/A
c. Requirements for renewal or extension.	None	N/A
d. Termination by Franchisee.	Not applicable	You may terminate the Area Development Agreement on any grounds available by law.
e. Termination by Us without cause	None	
f. Termination by Us with cause.	ADA: §7	We can terminate only if You default or fail to meet the Development Schedule, or if You are in default under any Franchise Agreement with Us and fail to cure such defaults, or if Our trademark agreement with Super Tea is terminated or not extended. The termination of the ADA will have no effect on any franchises previously issued to You.
g. "Cause" defined as defaults which can be cured.	ADA: §7	You have 30 days after notice to cure defaults. Such cause includes defaults in other Franchise Agreements with Us.
h. "Cause" defined as defaults which cannot be cured.	ADA: §7.2	Non-curable defaults: Failure to meet deadlines in Development Schedule.

i. Obligations on termination.	None	No further rights or obligations.
j. Assignment of contract by Us.		
k. "Transfer" by You-definition	None	
l. Our approval of transfer by franchisee.	ADA: §1.5	No transfers allowed.
m. Conditions for Our approval of transfer.	None	
n. Our right of first refusal to acquire your business.	None	
o. Our option to purchase your business	None	
p. Your death or disability.	None	
q. Non-competition covenants during the term of the franchise.	ADA: §8.3	No Competitive Interest in a Store similar to or competitive with a R&B business.
r. Non-competition covenants after the franchise is terminated, transferred or expires.	None	
s. Modification of the agreement.	ADA: §9.1	Only written and signed modifications.
t. Integration/ merger clause.	ADA: §9.1	The agreement between the parties is limited to the agreement and other documents referred to therein. Any representations or promises outside of the disclosure document and Area Development Agreement may not be enforceable. This provision is subject to applicable state law.
u. Dispute resolution by arbitration or mediation.	ADA: §9.1	Except for certain claims, all disputes must be arbitrated in county where Our headquarters are located **("Home County")**, currently Orange County, California.
v. Choice of forum	ADA: §9.1	Except for injunctions, any arbitration or litigation must be in Home County. This provision may be subject to applicable state law
w. Choice of Law.	ADA: §9	Law of the State where the Store is located. This provision may be subject to applicable state law.

ITEM 18. PUBLIC FIGURES

We do not use any public figure to promote Our franchises, but We may do so in the future.

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 Stores if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing Store You are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of a company-owned or franchised Stores. 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 Store, We may provide You with the actual records of that Store. 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 Teresa Mai Le at 12771 Western Ave, Unit B, Garden Grove, CA 92841; (714) 656 5702, the Federal Trade Commission and the appropriate state regulatory agencies.

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ITEM 20: STORES AND FRANCHISEE INFORMATION

Table No. 1
SYSTEM WIDE STORES SUMMARY
For Fiscal Years ~~2019 – 2021~~2020-2022

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	2020	1	5	+4
	2021	5	13	+8
	2022	13	25	+12
Company-Owned	2020	2	2	0
	2021	2	5	+3
	2022	5	3	-2
Total Outlets	2020	3	7	+5
	2021	7	18	+11
	2022	18	28	+10

Table No. 2
TRANSFERS OF STORES FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
For Fiscal Years ~~2019 – 2021~~2020-2022

Column 1 State	Column 2 Year	Column 3 Number of Transfers
All States	2020	0
	2021	0
	2022	2
Total	2020	0
	2021	0
	2022	2

Table No. 3
STATUS OF FRANCHISED STORES
For Fiscal Years ~~2019 – 2021~~2020-2022

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Termina-tions	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of the Year
California	2020	1	4	0	0	0	0	5
	2021	5	6	0	0	0	0	11
	2022	11	10	0	0	0	2	19
Texas	2020	0	0	0	0	0	0	0
	2021	0	2	0	0	0	0	2
	2022	2	4	0	0	0	0	6
Total	2020	1	4	0	0	0	0	5
	2021	5	7	0	0	0	0	13
	2022	13	14	0	0	0	2	25

Table No. 4
STATUS OF COMPANY STORES
For Fiscal Years ~~2019 – 2021~~2020-2022

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisees	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisees	Column 8 Outlets at End of the Year
California	2020	2	0	0	0	0	2
	2021	2	3	0	0	0	5
	2022	5	0	0	1	1	3
Total	2020	2	0	0	0	0	2
	2021	2	3	0	0	0	5
	2022	5	0	0	1	1	3

Table No. 5
PROJECTED OPENINGS
AS OF DECEMBER 31, ~~2021~~2022

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Current Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Current Fiscal Year
Arizona	1	1	0
California	3	3	0
Michigan	0	1	0
Texas	2	1	0
Total	6	6	0

The names, addresses and telephone numbers of Our franchisees are listed in **Exhibit F**.

The name, last known address and telephone number of every franchisee within the most recently completed calendar year who has had a franchise terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement or who has not communicated with Us within 10 weeks of the date of this Disclosure Document, are listed in **Exhibit F**.

During the last three fiscal years, We have signed no settlement agreements containing confidentiality clauses with current or former franchisees. You should be aware that We are required by law to disclose Your contact information to other franchise purchasers if You become a franchisee or leave Our franchise system.

ITEM 21. FINANCIAL STATEMENTS

Our audited financial statements dated December 31, ~~2021~~ 2022, December 2021 and December 31, 2020, are attached as **Exhibit G**.

ITEM 22. CONTRACTS

Copies of the following agreements are attached:

A. Franchise Agreement with Exhibits
B. Area Development Agreement
C. Confidentiality Agreement

ITEM 23. RECEIPTS

You will find copies of a detachable receipt in **Exhibit H** at the very end of this disclosure document.

It is important that you sign, date and return a Receipt to Us. As noted on the cover page, this Disclosure Document is available in electronic format, in which case You must print a copy of the Receipt and send a signed and dated copy to Us. Thank you.

The name, principal business address and telephone number of each franchise seller offering the franchise are identified on the Receipts.

Exhibit
A

R&B TEA
FRANCHISE AGREEMENT

R&B TEA
FRANCHISE AGREEMENT
TABLE OF CONTENTS

R&B TEA USA, LLC - SUMMARY OF SPECIFIC TERMS

FRANCHISEE ENTITY NAME:______________________________________

Names of Principals: ____

Type of Your legal entity: ___ Corporation ___ Limited Liability Company ("LLC")

State: ___________________

Section 1.1:	Your Store Number: _____
	Address: ____
Section 2.1 (a):	Initial Franchise Fee: $~~30~~35,000.00
Section 2.1 (b):	Royalty Fee: Six percent (6%) of Gross Revenue
Section 3.1:	Initial Term: Five (5) years
Section 3.2 (a):	Renewals: One (1) additional 5-year term, subject to conditions. Renewals are subject to Our Trademark Agreement with Super Tea International.
Section 3.2 (i):	Renewal Fee: $20,000.00
Section 4.2:	Name of Designated Operator: _____________________________
Section 7.2:	Local Advertising percentage: One percent (1%) of Gross Revenues
Section 7.3:	System Brand Fund percentage: up to two percent (2%)
Section 7.8:	Grand Opening minimum spending: ___________________
Section 13.2:	Name of Authorized Agent: _________________________________
Section 13.5:	Transfer Fee: $10,000.00
Section 16.5(a):	Venue: Orange County, California
Section 16.8:	Your Address for Notice:___________________________________
Attachment 1	Protected Territory: ______ miles from the front door of Your Outlet. High Density Area? ____ Yes ____ No

Your Initials: _______ **Our Initials: _____**

R&B TEA
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT dated as of ____________ 202__ ("**Effective Date**") is between R&B Tea USA LLC, a California limited liability company ("**We**", "**Us**" or "**Our**"), and_____________________________________ ("**You**" or "**Your**"), and if You are a legal entity, the Principals identified on the signature page of this Agreement ("**Principals**"). Terms in bold face in this Agreement are for ease of reference only. **See SUMMARY OF SPECIFIC TERMS attached hereto and incorporated herein by reference.**

A. We own the exclusive rights to offer and sell franchises ("**Franchises**") for the operation of approved food services outlets offering desserts, teas and other food and beverage products (each referred to herein as "**Store**") using the name and trademark R&B® and other approved trademarks (the "**Marks**") and following a system of operation ("**System**") which was developed and used by Us and Our commonly owned companies which operate and market their Stores (collectively, the "**Company**").

B. We are party to a trademark agreement with Super Tea International, a Seychelles corporation, that awards Us the right to own and operate, and to award franchises to third parties to own and operate, R&B Stores ("**Trademark Agreement**").

C. You desire to purchase a R&B franchise (**"Franchise**") on the terms of the SUMMARY attached hereto and to operate and market one or more Stores, and We have approved You for a Franchise.

In consideration of the mutual promises contained in this Agreement, the parties hereby agree as follows:

ARTICLE 1: GRANT OF FRANCHISE

1.1 Grant

Subject to the following terms and conditions, We grant to You a franchise to use the System and the Marks solely in direct connection with providing services and products provided for in Our Manual at or from a Store to be operated by You from the address specified in the SUMMARY. You agree to use the Marks and the System, as they may be changed, improved, and further developed by Us and Company, only in accordance with the terms and conditions of this Agreement. Changes to the System may include, without limitation, the offer and sale of new or different products or services as We may specify.

1.2 Territorial Rights

(a) Unless Your Store is in a "high density area" (as defined below), We will not operate and will not authorize any other person to operate a Store within two (2) miles from the address of Your Store ("**Protected Area**"). However, If We determine that Your R&B TEA Store is located within a "high density area", the Protected Area will be as stated on **Exhibit 1** to this Agreement.

(b) Except for the foregoing, You and We agree that this franchise is non-exclusive and We reserve all other rights, including the right, directly or indirectly:

(i) To operate and authorize others to operate and market R&B Stores at any location and of any type or category whatsoever that is not within the Territory;

(ii) To operate and authorize others to operate and market other businesses(s) operating under any name other than R&B at any location and of any type or category whatsoever;

(iii) To produce, license, distribute and market products and services using the Marks or other marks through any business anywhere and through any established distribution channel, at wholesale or retail, including but not limited to, by means of the Internet (or any other existing or future form of electronic commerce), mail order catalogs, direct mail advertising and other distribution methods. We are not required to pay You for soliciting or accepting orders from inside Your Protected Area.~~To produce, license, distribute and market products and services using the Marks or other marks through any business anywhere using the name R&B or other Mark and through any established distribution channel, at wholesale or retail, including by means of the Internet, mail order catalogs, direct mail advertising and other distribution methods~~; and

(iv) To operate or authorize operation of a R&B Store at any location for which the lessor, owner or operator thereof has indicated its intent to limit the operation of facilities to itself or a master concessionaire and which site or location is either (A) within another primary business or (B) at an institutional setting such as a school, college, university, governmental facility, hospital, hotel, limited access highway, shopping mall, airport, toll road, sports arena or stadium.

(c) A "**high density area**", to be determined by Us in Our full discretion, is typically an area with a high degree of pedestrian traffic such as a downtown portion of an urban area with high-rise commercial buildings or a densely populated residential area with primarily multi-family or apartment units.

1.3 Site Selection and Relocation

(a) You agree (i) that although We may have been involved in the site selection for Your Store and approved its location, You have sole responsibility for selecting the above location for Your R&B TEA Store and (ii) that We make no warranty, representation or guaranty of any kind with respect to Your Store's location, success or profitability.

(b) After approval of the site, You agree to employ an architect, designer and other necessary persons to revise the plans as needed for Your site. Except as may be expressly provided in the Manual, no changes of any kind in design, equipment or decor will be made in, on or about Your Store premises without Our prior written approval in each instance. In any event, You must obtain Our prior approval of the final plans and specifications for Your Store before submitting them to any landlord, property owner, or governmental agency and/or before beginning the construction or remodel.

(c) You will not relocate Your Store without Our prior written consent. We will consent to a relocation to an alternative, pre-approved location under limited circumstances only, such as loss of the location due to condemnation, eminent domain destruction, loss of Your right of possession for reasons not caused by You, or a very substantial and detrimental change in the business potential and character of the location. If We consent to the relocation of Your Store, You must comply with such reasonable site selection and construction procedures as We may require and following relocation, You must conduct a Grand Opening Promotion as required by Section 7.8 below. You will be solely responsible for the expense of any such relocation and will pay Us a reasonable fee for Our services in connection with such relocation. You will be fully responsible for closing the prior location and must comply with Section 15.3 below regarding de-identification.

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1.4 Opening Date

You must open Your Store and commence business within twelve (12) months following the Effective Date of this Agreement. You may not open Your Store without Our prior written consent and satisfaction of all pre-opening obligations and the installation of all equipment, fixtures, furnishings and signs included in the plans and specifications approved by Us. Your failure to open Your Store in full compliance with these provisions will be a material event of default under this Agreement, and We may prevent You from opening Your Store.

ARTICLE 2: FEES

2.1 Fees

You agree to pay Us:

(a) A non-refundable "**Initial Franchise Fee**" in the amount specified in the SUMMARY; which must have been paid in full upon execution of this Agreement.

(b) A monthly "**Royalty Fee**" equal to the percentage of Your Store's Gross Revenue as payment for the continuing right to use the System and Marks specified in SUMMARY and starting six (6) months after You commence business.

(c) In the future when We determine that the System has grown to an appropriate size, a "**Brand Fund Fee"** designated by Us and to be applied as described in Section 7.3 and specified in SUMMARY.

2.2 No Fees Refundable

You agree that these Fees are not refundable in whole or part under any circumstances and have been fully earned by Us.

2.3 Payment of Fees

(a) TIME IS OF THE ESSENCE regarding payment of such Fees. You agree to pay Us the Royalty Fee on the fifth (5th) calendar day following the end of each month during which the Store is open for business or such other time as may be designated by Us. You must make payments in strict accordance with Our requirements.

(b) You agree to pay all such Fees to Us by direct transfer of funds ("**EFT**" or "**ACH**") or other method of payment designated by Us. Such method of payment will be determined by Us in Our sole discretion and may be changed from time to time. We may designate a payment processor to deduct from any monies it collects on Your behalf the amount of such Fees and pay such Fees directly to Us.

(c) You agree at Our request to take all necessary action as reasonably necessary to establish direct EFT or ACH payments automatically from Your account(s) to the account(s). Without limiting the foregoing, You specifically agree to obtain the necessary equipment used by the System to transmit sales and other polling information which will allow Us to cause such transfers to be made. You agree to maintain sufficient funds in Your account(s) to allow timely honoring of each payment to Us. You hereby specifically authorize Us to make such direct transfers of the Fees in amounts calculated with reference to sales information furnished by You, or if You fail to furnish such information, with reference to good faith estimates by Us.

(d) Fees which are not paid when due will bear interest from and after the due date at the lesser rate of eighteen percent (18%) per annum or the highest rate permitted by law. Any late payment of Fees must include a $275.00 late payment administrative charge.

2.4 Gross Revenues

The term "**Gross Revenues**" as used in this Agreement will mean the total of all cash or other form of payment received by or for Your Store for the sale of services and products in or from Store, including clothing, food, drinks and other tangible property of every kind, or for entertainment charges, and from any vending, game or other type of machine or similar device located at Your Store; and any and all other amounts which You receive as compensation for any services rendered from Your Store. You may exclude from Gross Revenues all amounts collected and paid out for sales taxes, cost of system gift or loyalty cards and the proceeds from the sale of any furniture, fixtures or equipment previously used at Your Store.

ARTICLE 3: TERM; RENEWAL

3.1 Initial Term

Subject to earlier termination, this Agreement has the Initial Term specified in the SUMMARY **("Initial Term"**) or the length of Your lease for Your Store, whichever is less. The Initial Term will commence on the date on which You first operate Your Store. You agree to send Us written notice of Your Store's opening date.

3.2 Renewal Option

(a) This Agreement may be renewed for the number of additional consecutive terms specified in the SUMMARY, so long as the Condition Precedent set forth below in subsection (b) and the additional conditions set forth below in subsection (c) are satisfied.

(b) Condition Precedent. You understand and agree that the option to renew the franchise is subject to the condition that the Trademark Agreement with Super Tea International has not been terminated. The failure of this condition precedent to the renewal option shall not be treated as the cancellation of the renewal option under applicable law. Instead, no renewal option shall be deemed to have been granted to You in the first place. In entering into this Agreement, You accept the risk that it may not have a renewal option.

Your Initials: __________

(c) Additionally, the following conditions must be met before the end of the then current term:

(i) You must give Us written notice of Your intention to renew not less than six (6) months or more than twelve (12) months before the end of the current term;

(ii) During such current term, You must have complied with all material terms and conditions of this Agreement and not have been in material default of this Agreement or any other agreement with Us at any time during the last twelve months;

(iii) You must be in good standing as a R&B TEA franchisee and be approved by Us operationally and financially;

(iv) You must have paid all amounts owed to Us, Our affiliated companies ("**Affiliates**") and Our approved suppliers (as defined in 4.8), and have timely paid all such amounts throughout the current term;

(v) If We send You a written notice of required changes to be made at Your Store, such as (i) additional training requirements, (ii) personnel changes and (iii) modernization of Your Store and its equipment, and/or redecorating Your Store and installing new signs and equipment to reflect the then current R&B TEA standards and image, You must make all of such changes;

(vi) You must have obtained an extension or renewal of Your Lease for the Store to cover the renewal term and delivered to Us a fully executed copy of such Lease.

(vii) You must execute and deliver to Us Our then-current form of Franchise Agreement for the renewal term, which Franchise Agreement may contain the then-current Royalty Fee rate and marketing amounts and obligations required of new franchisees;

(viii) You must pay Us a "**Renewal Fee**" equal to that specified in the SUMMARY; and

(ix) You must execute Our form of a general release of any and all claims against Us, the Company and Our Affiliates, and Our and their officers, directors, agents and employees.

ARTICLE 4: OPERATING SYSTEM AND PROCEDURES

4.1 Operating Assistance

We will advise and assist You in operating Your Store, including periodic visits by Our representative(s) to the extent We deem necessary or You reasonably request in writing. You agree to pay Us the Opening Assistance Training Fee specified in the SUMMARY for assisting with and training Your employees as part of Your Store's opening.

4.2 Designated Operator

The individual named in the SUMMARY as "**Designated Operator**" must be an experienced food service professional who will devote full time, best efforts and constant personal attention to the day to day operation of Your Store, with full authority to act on Your behalf and on behalf of the Principals with regard to the operation of Your Store who must be at all times approved by Us and certified by Us as fully trained for operations. Our Certification and approval of the Designated Operator includes both satisfactory completion of our R&B TEA Store Manager and Designated Operator Training Program, and also working sufficient additional time in a Company-operated Store, as we deem necessary in our sole discretion, to successfully develop and operate a R&B TEA business. Any change in the identity of Your Designated Operator must be approved by Us in writing.

4.3 Operation of Your Store

You agree to:

(a) Keep Your Store open for business during the hours We specify;

(b) Operate Your Store in a clean, safe and orderly manner, providing courteous, first-class service;

(c) Construct, equip, and operate Your Store in accordance with all R&B TEA standards, policies, and procedures;

(d) Maintain a competent, conscientious, trained staff and take any and all steps necessary to ensure that Your employees preserve good customer relations and comply with any dress code as may be established from time by Us (subject to applicable laws).

(e) Comply with all health, safety and other laws, cure any deficiencies immediately after a governmental inspection and after curing deficiencies, request another inspection as soon as possible thereafter;

(f) Diligently promote and make every reasonable effort to increase the business of Your Store;

(g) Diligently participate in all marketing and promotional campaigns which are prescribed from time to time by Us.

(h) Advertise Your Store by the use of the Marks and other identifying characteristics as may be determined by Us;

(i) Keep current in all monetary obligations owed Us, Our affiliated companies and Approved Suppliers;

(j) Prevent the use of Your Store for any immoral or illegal purpose, or for any other purpose, business activity, use or function which is not expressly authorized by this Agreement or Our prior written consent;

(k) Obtain and use only the equipment and technology required by Us, including but not limited to, a computerized point of sale cash collection system ("**POS System**") which among other things will allow Us to poll information about Your Store such as credit card and/or debit card system, membership management systems, transaction processing and accounting platforms, computer equipment and related software and communications systems;

(l) Never manipulate or tamper with the equipment and technology rquired by the Manual to operate Your Store ~~POS System or software~~ without Our prior written approval;

(m) Not establish, register or operate for Your Store or otherwise any websites, social media site, domain name, or other digital presence in any media or on any platform using the Marks without Our prior written consent and adhere to all social media policies and require all of Your employees to do so as well, subject to applicable law; and

(n) Promptly handle all customer complaints in a manner that will not detract from Our name and System goodwill.

4.4 Confidential Manual

(a) We will loan You for Your Store one copy of Our Confidential Manual (the "**Manual**"). You agree to comply strictly with and perform all things required by the Manual, such as those dealing with the selection, purchase and installation of approved equipment and performing services at Your Store, adding new products and services, and maintenance and repair of Your Store's buildings, grounds, furnishings, fixtures and equipment, operating hours and days, employee uniforms and dress, accounting, bookkeeping, record retention and other business systems, procedures and operations.

(b) The Manual, as presently written and as We may amend and supplement it, is incorporated into and made part of this Agreement by reference. All references to the Manual in this Agreement are to the Manual as most recently revised as of the relevant date and may be in the form of several manuals. The Manual may be in paper form or available in electronic form or a combination of both media.

(c) You agree that the purpose of the Manual is to provide a means of communicating to all Franchisees specific details of Our System which will enhance uniformity and conformity among all Stores. You specifically agree (i) that the Manual is an integral, necessary and material element of the System and (ii) that We may in order to maintain the high quality of the System and maximize its competitive position, revise and update the Manual from time to time. We have the right at any time, in the good faith exercise of Our reasonable business judgment, to revise, delete from and add to the materials contained in the Manual. You expressly agree to comply promptly with all obligations and changes to the Manual.

4.5 Confidentiality; Our Property

(a) You agree that We own all rights in and to the System, including the information and materials described or contained in the Manual, and that the System and Manual contain trade secrets and themselves constitute Our trade secrets which have been or will be revealed to You in confidence. Confidential Information also includes, without limitation, all customer and membership lists and information for Your Store and for all Stores generally. You agree not to disclose, duplicate, license, sell or reveal any portion thereof to any other person, except Your employee(s) required by his or her work to be familiar with such information. You agree to promptly disclose to Us all innovations whether or not protectable and whether created by or for You or Your owners or employees. All such innovations will be deemed Our sole and exclusive property and works made-for-hire for Us. We have the absolute and unfettered right to incorporate such innovations into the System. You agree to keep and respect all confidential information received from Us, to obtain from each of Your Store's managers and other key employees an agreement to keep and respect all such confidences and to be responsible for Your employees' keeping this information confidential. A copy of the employee confidentiality agreement is attached hereto as **Exhibit 3.**

(b) The Manual and all other confidential materials furnished to You are on loan only, will remain Our property, and You will return all copies of such documents to Us immediately upon the expiration or termination of this Agreement.

4.6 Uniformity and Conformity

In all regards, You agree that strict conformity by You with this Agreement, the System and the Manual, is vitally important to the collective success of all R&B TEA businesses, including Your Store, because of the benefits You and other R&B TEA operators will derive from uniformity in identity, quality, appearance, facilities and service among all such businesses. Any material failure to adhere to the requirements contained in this Agreement or in the Manual will be considered a material breach of this Agreement.

4.7 Products and Services

You agree to offer for sale from Your Store, at all times when Your Store is open for business, all of the services and products expressly described in the Manual. No other service, product or brand other than those identified in the Manual will be offered or sold at or from Your Store without Our prior written consent in each case. You agree to submit to Us in writing any additional product, brand or service proposed by You for Our consideration and final determination before You implement any such change. We may approve it initially for testing only. You understand and agree that at Our discretion any such proposal may be utilized by You on a test basis only, subject to the terms of a written test agreement. All proposals approved by Us will become Our property upon submission.

4.8 Approved Suppliers: Proprietary Products/Ingredients

(a) In order to assure uniformity and conformity among Stores in the System, You agree to purchase all equipment, signage, inventory, furnishings, supplies, and products for sale at Your Store only from suppliers who are at that time approved in writing by Us as an approved supplier ("**Approved Supplier**"), which may include one of our Affiliates.

(b) If You want to purchase any items from a supplier who is not an Approved Supplier, You will notify Us of such supplier and instruct the proposed supplier to contact Us and follow Our procedures for becoming an Approved Supplier. We may charge a reasonable amount for the fees and costs involved in these approval procedures. You may not sell or offer for sale any products or services of the proposed supplier until Our written approval of the proposed supplier is received. You agree to buy all designated proprietary products, ingredients or equipment from Us or a designated supplier (which may be an Affiliate).

4.9 <u>Your Covenants</u>

(a) You agree that R&B TEA businesses, including Your Store, must compete against similar businesses (as defined below) which may have far greater financial resources and may be better established than Our business. A "**Similar Business**" is any R&B TEA Store or similar business offering the same or similar services and products as a typical R&B TEA business.

(b) You agree on behalf of Yourself and each and every person with an ownership interest in Your Store ("**Owner**") to take all necessary action to assure compliance at all times with the requirements of this Section 4.9 and the other Sections in this ARTICLE 4, including obtaining and delivering to Us a written agreement from each such person that he or she agrees to each of the covenants set forth in this Section 4.9.

(c) Neither You nor any Owner will, directly or indirectly, engage in or have any interest whatsoever in any Similar Business without Our prior express written consent.

(d) Neither You nor any Owner will perform any services for or become a landlord of any Similar Business without Our prior express written consent.

(e) Neither You nor any Owner will divert or attempt to divert any business or customer of Your Store, or of any other Store, to any Similar Business by direct or indirect inducement, advertising or otherwise do or perform, directly or indirectly, any other act which is injurious or prejudicial to the goodwill associated with the System or the value of the Marks.

(f) For a period of two (2) years following the expiration or termination of this Agreement, neither You nor any Owner will, directly or indirectly, engage in or have any interest whatsoever in any Similar Business which is located within ten (10) miles of any Store without Our prior express written consent.

(g) You agree that any violation of this Section 4.9 would result in irreparable injury to Us and the System, and that We would be without an adequate remedy at law. You agree that in the event of a breach or threatened breach of any such covenant, We will not be required to prove actual or threatened damage from such breach in order to obtain a temporary and/or permanent injunction and a decree for specific performance of the terms of this Section 4.9. In addition to injunctive relief, We shall be entitled to any other remedies which We may have under this Agreement, at law or in equity.

(h) The parties agree that each of these covenants will be construed as independent of each other and of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 4.9 is held unenforceable by a court having valid jurisdiction in a final decision between the parties hereto and from which no appeal has or may be taken, You expressly agree to be bound by the remaining portion of such covenant.

4.10 Employees

(a) Unless restricted by applicable law, You will not hire or make arrangements to hire any person employed by Us, the Company, by any Affiliate of Ours or by another R&B TEA franchisee without first obtaining Our or such other franchisee's written consent. The parties agree that in the event of Your breach of this covenant, actual damages would be extremely difficult to compute, and accordingly, in the event of such a breach, You agree to pay the prior employer of such person liquidated damages equal to the greater of such person's prior annual salary or one-half of the annual salary and of any bonus paid or to be paid by You to such person during the first year of employment.

(b) You will be solely responsible for all hiring and employment decisions and functions relating to Your Store regardless of whether You have received advice from Us on these subjects or not. Any guidance We may give You regarding employment policies should be considered merely examples. You will be responsible for establishing and implementing your own employment policies, and You should do so in consultation with local legal counsel experienced in employment law.

4.11 Software; Systems

(a) You agree to use in Your Store the software and systems designated by Us in the Manual for Franchisees to use for franchise management, online ordering system, making estimates, preparing invoices, keeping accounting records and other aspects of the operations of Your Store.

(b) The software and systems developed for use in Your Store may be proprietary, and You may be required to license such from Us or a third party. You also may be required to pay a licensing or user fee in connection with Your use of the proprietary software or system.

~~You agree to use in Your Store the software the software designated by Us in the Manual for Franchisees to use in making estimates, preparing invoices, keeping accounting records and other aspects of the Business. The software will be available to You on the same terms available to other Franchisees and as specified in the Manual.~~

4.12 Online Management and Communication System

We may establish an online management and communication system for Store Operations and You agree to participate and perform all things necessary to set up and connect to the online communication system and comply strictly with its requirements. We retain all rights relating to Our website and any intranet system or extranet system.

4.13 Data Security; Privacy

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. You agree that Your Store will comply at all times, with 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 successor or additional laws, and all other data security requirements We prescribe.

ARTICLE 5: TRAINING

5.1 Initial Training

We will provide Our Initial Training Program without additional charge for two (2) persons, who may be Your Designated Operator (as identified in the SUMMARY), Your General Manager (if a different person) and any Assistant Manager(s). Training will be held at a time and place We designate. If You want more than two people trained, You agree to pay Us for each additional person the amount specified in the SUMMARY.

5.2 Training Required

You and Your Designated Operator (if a different person) and General Manager must each attend and complete Our Initial Training Program to Our reasonable satisfaction. All of the Managers of Your Store must attend and successfully complete Our training and become certified to Our standards. You must always have a properly certified Manager on duty at Your Store whenever it is open to the public. In Our sole discretion, We may also provide training for successor and replacement personnel.

5.3 Training Employees

You will be responsible for full compliance at Your Store with the requirements taught at Our Initial Training and will cause Your Store's employees to be trained in those requirements which are relevant to the performance of their respective duties. We may require Your employees to be trained and certified in the performance of their duties, and with Our consent You may have employees approved as certified trainers for the other employees.

5.4 Pre-Opening Events

Prior to opening Your Store for business, You agree at Your own expense to conduct mock service and pre-opening operations following Our requirements ("**Pre-Opening Events**").

5.5 Continuing Training

You and such employees as We may designate will, from time to time, personally attend and complete refresher courses in Store operations and any training sessions held for the purpose of introducing new services, products or procedures.

5.6 Fees; Expenses

We reserve the right to charge a reasonable amount for training successor or replacement personnel and for any additional training programs and for course materials, at Our discretion.

ARTICLE 6: MAINTENANCE; MODERNIZATION; LEASE PROVISIONS

6.1 Repairs and Maintenance

(a) You must maintain Your Store and its parking area in a "like new" condition and in conformity with Our written requirements. You agree to replace Store FFE as necessary or appropriate and to obtain any new FFE as We may reasonably require for new products or procedures. If You have failed to take any action within fifteen (15) days after notice from Us, We may enter Your Store and take such corrective action, and You shall immediately pay Our costs incurred in taking such action.

(b) No changes of any kind in design, signs, FFE or decor will be made in, on or about Your Store premises without Our prior written approval of in each instance. You will obtain, repair, maintain and replace all FFE, signs and other Store items at Your sole cost.

6.2 Modernization

In order to compete effectively and to assure the continued success of Your Store, You agree, as reasonably required by Us in writing (taking into consideration the cost and then remaining term of this Agreement), to modernize Your Store premises, FFE, signs and parking area to Our then current standards and specifications. You agree that this obligation is in addition to other obligations under this Agreement, such as repair, maintenance and purchase of new equipment. No such modernization will be required by Us unless and until the Company has at that time implemented such standards and specifications in at least twenty-five percent (25%) of its Stores located in the continental United States.

6.3 Lease Provisions

(a) You must provide Us a copy of any proposed lease for Your Store premises for Our review and comment at least 10 days prior to its being finalized and executed. After execution, You must furnish Us with a true, correct and complete copy of the lease.

(b) Such lease must contain the option required by Section 15.5 below, and a provision which precludes any Similar Business from operating in the same Store as the Store or five (5) miles from Your Store for any property under landlord control. The lease must also include the alteration and de-identification rights required by this Agreement where the premises will no longer be operated as a R&B TEA Store. These lease provisions may be subject to the reasonable consent of the lessor.

(c) Such lease will also require the lessor (i) to give Us reasonable notice of any lease termination and a reasonable time in which to take and make the above actions and alterations and (ii) provide that You have the unrestricted right to assign such lease to Us.

ARTICLE 7: MARKETING AND ADVERTISING

7.1 Marketing, Promotion and Advertising Programs

The parties recognize the value of marketing, advertising and promotions to enhance the goodwill and public image of the System. We agree that We will develop marketing, promotion and advertising programs designed to promote and enhance the collective success of all R&B TEA businesses. It is expressly agreed that in all respects of such marketing, promotion and advertising (such as type, quantity, timing, placement and choice of media, market areas and advertising agencies), Our decisions made in good faith will be final and binding. Your participation in all such advertising and revenue promotion programs must be in full and complete accordance with any terms and conditions as We may have established.

7.2 Local Marketing

(a) You agree that during the term of this Agreement, You will spend the amount specified in the SUMMARY conducting advertising and sales promotion programs for Your Store ("**Local Marketing**"). We may require You to provide proof of all such marketing, promotion and advertising expenditures. You acknowledge and agree that You must obtain Our prior written approval for all of Your local programs in order for them to qualify for required spending. This obligation is in addition to Your obligation for grand opening promotion. Payments to an approved Advertising Cooperative ("**Ad Co-op**") will be applied to this Local Advertising obligation.

(b) You will not make any contributions or donations of items, services or money to any individual or entity, or provide any type of other benefit to any charitable, religious, political, social, civic or other type of organization (or to any individual on behalf of any such organization) in the name of Your Store or otherwise associated with the Marks, without our prior express written consent.

(c) You will not establish Your own "eclub" marketing campaigns, Gift Card programs, Loyal Customer programs, any website, social media accounts, or other such programs without Our prior written approval. You agree to diligently participate in all promotional campaigns, customer loyalty programs, special offers, and other programs, which are prescribed from time to time by Us.

(d) You will not issue any press release without Our prior express written approval.

(e) You agree that Your Local Marketing requirements may in the future be amended by Us. We may designate Ourselves, an Affiliate, or select a third party vendor to manage local marketing for R&B TEA Stores.

7.3 Brand Fund

(a) In order to maximize the general public recognition and acceptance of R&B TEA businesses, We may, when We believe it is appropriate to do so, establish a Brand Fund and require You as a Franchisee to contribute to such Brand Fund as specified in the SUMMARY. We may require that You contribute of Your Store's Gross Revenues to this Fund.

(b) We will use monies from the Brand Fund to pay for the production and development costs of materials to be used in marketing all R&B TEA Stores and for advertising, marketing and promotion of R&B TEA Stores generally, including without limitation, costs and expenses related to the employment of advertising agencies, payment of talent and residuals, research and development, design and development of trademarks and logos, promotions, public relations market research, reimbursement to Us, Our Affiliates or the Company of general and administrative expenses, and allowances directly related to marketing of Stores and for clearance of marketing, advertising and promotional programs.

(c) The Company will also contribute to the Brand Fund the same percentage of Gross Revenues from its operation of R&B TEA Stores in the continental United States.

(d) We will deposit the Brand Fund contributions into one or more separate accounts, which will not be treated the same as one of Our assets.

(e) We agree to cause an annual accounting of the Brand Fund and to make the results of such accounting available to You upon request. If such accounting is made by an independent accounting firm, its costs shall be paid from the Brand Fund.

(f) We and Our Affiliates reserve the right to receive advertising promotional allowances and/or advertising rebates from suppliers or distributors which relate directly to purchases by R&B TEA Stores operated by franchisees. We will use such monies to benefit the System.

(g) You agree that We have no obligation in administering the Brand Fund to make expenditures for You or others which are equivalent or proportionate to the contribution(s) made or to ensure that any particular franchisee benefits directly or pro rata from any marketing program or advertising.

(h) We may reimburse Ourselves from the Brand Fund for (i) the direct costs and expenses incurred by Us or our Affiliates in administering the Brand Fund and (ii) up to fifteen (15%) of Brand Fund contributions during Our fiscal year to cover (A) Our administrative costs and overhead incurred by Us in connection with activities related to the administration of the Brand Fund and its programs and (B) a pro rata portion of the compensation paid by Us or Our Affiliates to persons for their work on Brand Fund related matters.

7.4 Brand Fund Policies

(a) We will develop and modify as We deem necessary a Brand Fund Policy which will include procedures and guidelines for disbursements and expenditures from the Brand Fund.

(b) All monies in the Brand Fund, including any interest or other income earned from the investment of such monies, will be spent and disbursed only in accordance with this Agreement and the Brand Fund Policy, , which may be modified from time to time at Our discretion so long as all monies are used to pay for marketing, promotion and advertising programs for R&B TEA Businesses in the continental United States of America.

7.5 Temporary Investment

We may temporarily invest any or all of the monies held in the Brand Fund from time to time at Our sole discretion. We will use any interest or other income received from such investments to pay for the expenses of administering the Brand Fund. Interest or income received from temporary investments that exceed the reasonable expenses of administering the fund will be considered part of the Brand Fund.

7.6 Ad Co-ops

(a) We may at Our discretion designate any geographical area as a basis for an Ad Co-op for the purpose of marketing, advertising and promoting R&B TEA businesses in that area, including Company Stores. The Ad Co-ops will also serve as means of exchanging ideas, sharing information and problem solving.

(b) You agree to become a member of an Ad Co-op at any time Your Store is located within the designated area for such Ad Co-op.

(c) You agree to execute and deliver any such Ad Co-op agreements or undertakings required by such Ad Co-op, to make contributions as required of its members, and to maintain Your status as a member in good standing of such Ad Co-op at all times.

(d) We will establish and may revise the requirements for approval of Ad Co-ops, the amount of contribution by members to each such Ad Co-op, and exemptions from membership or temporary suspensions of contributions.

(e) Your mandatory contribution to an Ad Co-op will be applied to Your Local Marketing obligation. The mandatory contribution to an Ad Co-op may exceed Your Local Marketing requirement if the Ad Co-op members agree to additional funding.

7.7 Approval of Advertising

(a) You must use only advertising copy and other materials which are in strict compliance with Our requirements. All of Your advertising, promotion and marketing must be completely clear and factual, not misleading, and conform to the highest standards of ethical marketing and the promotion policies.

(b) You may use only advertising materials which have been approved in writing by Us. If You wish to use other or modified materials, You must submit to Us, in each instance and at least thirty (30) days prior to first use, the proposed advertising copy and materials for approval in advance of use.

(a) Your advertising must not contain any statement or material which (i) is in bad taste or offensive to the public or to any group of persons, (ii) is defamatory of any person or an attack on any competitor, (iii) is misleading and (iv) fails to conform to the highest standards of ethical marketing and Our marketing and promotion policies.

7.8 Grand Opening

You agree to conduct an approved grand opening promotion for the Store on or shortly after its opening, and to spend at least the amount in approved expenditures in regard to such promotion as specified in the SUMMARY. We will assist You in planning for Your grand opening.

7.9 Websites and Internet Advertising

You will not use the Marks without Our prior written consent for websites and Internet advertising of Your Store. You will not without Our prior written consent, indirectly or directly, register, establish or operate any website, Internet directory listing, domain name, social networking site, or other digital presence in any media or platform relating in any way to Your Store. Except email communications, You may not conduct any aspect of Your R&B TEA business through the Internet without Our prior written consent . You will adhere to any social media policies that We establish and will require all of Your employees to do so as well. We will include information about Your Store on Our website and follow Our System procedures on referring potential customers to You.

7.10 Promotional Programs

You must participate at Your expense in all promotional programs We develop for the System. You must purchase or lease, and install, all required signs and FFE (including required computer, point-of-sale, and other electronic information system and all equipment components and software necessary to accept and process gift cards and loyalty cards and participate in our gift card, customer loyalty and similar programs) for Your Store.

7.11 Social Media

We have sole discretion and control over any profiles using or relating to the Marks, or that display the Marks, that are maintained on social media, including without limitation Facebook, Twitter, Instagram, Pinterest or other similar services that may exist in the future. We may use part of the Brand Fund monies We collect under this Agreement to pay or reimburse the costs associated with the development, maintenance and update of such profiles. We may (but need not) establish a social media policy and guidelines pursuant to which You may establish profiles or otherwise establish a presence on such social media Stores. In that event, You shall comply with the standards, protocols and restrictions that We impose on such use.

ARTICLE 8: ACCOUNTING AND RECORD KEEPING

8.1 Point of Sales System/Accounting System

(a) Before the opening of Your Store, You agree at Your expense to procure and install the computer hardware, software, Internet connections and service, required dedicated telephone and other computer-related accessories, peripherals and equipment that are required by Us (the **"Point of Sales System"**). You must record all transactions on a computer-base system that is fully compatible with Our computer system, or the computer system of Our designated POS supplier and/or other third-party vendors.

(b) You agree to accurately, consistently and completely record and provide through the Point of Sales System or other systems designated by Us, all information concerning the operation of Your Store that We require, in the form and at the intervals that We require.

(c) You agree that We will have full and complete independent access to Your Point of Sale System and that We may retrieve from these systems all information that We consider necessary, desirable or appropriate.

8.2 Accounting Information

You understand and agree that We may under Section 8.1 require You to use software which will generate accounting information which will be accessible to Us electronically. You also agree that We may require You to send to Us in hard copy or other format of reports and information, such as Profit and Loss Statements, Balance Sheets and Statements of Cash Flow, sales tax returns, and income tax returns.

8.3 Accounting Records

You must record all sales on the POS System or other system We designate. You agree to maintain and preserve for a minimum of seven (7) years from the date of preparation full, complete and accurate books, records and accounts in accordance with generally accepted accounting principles and in the form and manner prescribed by Us.

ARTICLE 9: AUDITS AND INSPECTIONS

9.1 Audit Rights

You agree that We have the following audit rights regarding Your Store:

(a) Our representatives may on a reasonable basis review, inspect and copy any and all accounting records, tax records and other such documents, as they determine, in their sole discretion as being necessary to audit Your compliance with this Agreement.

(b) If any inspection or audit reveals that the Gross Revenues reported in any report or statement are less than the actual Gross Revenues calculated during such inspection, and/or amounts owing are otherwise miscalculated, You will immediately pay Us all additional amounts owing by reason of such understatement and/or other miscalculation, together with interest as provided in Section 2.3.

(c) In the event that any report or statement by You understated Gross Revenues and/or fees owing by more than two percent (2%) as calculated during Our inspection, You will, in addition to paying for the additional fees and interest, pay and reimburse Us for any and all expenses incurred in connection with such audit and inspection, including, but not limited to, reasonable accounting and legal fees. Such payments will be without prejudice to any other rights or remedies We may have under this Agreement or otherwise. In addition, We may then at Our sole discretion require a complete and full audit in accordance with generally accepted accounting principles by a certified public accountant acceptable to Us, at Your expense.

9.2 Survey, Inspections, and Corrections

(a) You agree to participate in surveys regarding guest satisfaction, Store inspections and other on-site or remote reviews of Your operations. In addition, You will cause the reports of all such inspections or surveys be sent to Us.

(b) We will make periodic calls or visits to Your Store as We deem advisable. You agree that Our representatives will have the right at any time, and from time to time, without notice to enter Your Store for the purpose of inspecting its condition and its operations for compliance with Our requirements and for any other reasonable purpose connected with the operation of Your Store.

(c) You agree to incorporate any corrections and modifications for Your Store as We require to maintain Our standards of quality and uniformity as quickly as is reasonably possible and use all resources at Your disposal.

9.3 Books and Records

Without limiting the generality of Section 9.2, Our representatives will have the right at all times during normal business hours to confer with Your Store's employees and customers, and to inspect Your books, records and tax returns, or such portions thereof as pertain to the operation of Your Store. All of Your books, records and tax returns will be kept and maintained at Your Store, at Your primary office or such other place as We have approved in writing.

9.4 Ownership Records

If You are not an individual or sole proprietorship, You must maintain an accurate ownership register or other list of names, addresses and interests of all Your record and beneficial owners. Upon ten days written notice from Us, You will deliver to Us a copy of such register and/or list of owners, certified by Your chief executive officer to be correct. During any audit or other inspection under this ARTICLE 9, You will allow Our representatives to inspect and copy such register and/or list.

ARTICLE 10: RELATIONSHIP OF PARTIES AND INDEMNIFICATION

10.1 Relationship

You are not, and will not hold Yourself out as being an agent, legal representative, joint venture, partner, employee or servant of Us for any purpose whatsoever and will, where permitted by law to do so, file a business certificate to such effect with the proper recording authorities. You are an independent contractor and are not authorized to make any statement or commitment on behalf of Us, or to create any obligation, express or implied, on behalf of Us. You agree that We are not in any way a "fiduciary" in regards to You. You will not use the name R&B TEA USA, R&B TEA, R&B or any similar words as part of the name of a corporation or other business entity directly or indirectly associated with You. You may include the word “Tea” in such name.

10.2 Indemnification

You will indemnify Us, Our Affiliates and their officers, directors, employees, agents, affiliates, successors and assigns from and against (i) any and all claims based upon, arising out of, or in any way related to the operation or condition of any part of Your Store or Store premises, the conduct of Your Store's business, the ownership or possession of real or personal property, any negligent act, misfeasance or nonfeasance by You or any of Your agents, contractors, servants, employees or licensees, (ii) Your failure to perform any of Your obligations under this Agreement, and (iii) any and all fees (including reasonable attorneys' fees), costs and other expenses incurred by Us or on Our behalf in the investigation of or defense against any and all such claims.

ARTICLE 11: INSURANCE

11.1 Insurance

You will obtain before beginning construction or remodeling of Your Store and will maintain in full force and effect during the entire term of this Agreement, at Your sole cost and expense, an insurance policy or policies protecting You and Us against any and all loss, liability or occurrence, arising out of or in connection with the construction, condition, operation, use or occupancy of Your Store or Your Store premises. We will be named as an additional insured in all such policies, workers' compensation excepted.

11.2 Policies

In all events, the insurance policy or policies will include at least the following:

(a) Comprehensive general liability insurance, including products liability coverage with minimum coverage of $1,000,000 per occurrence and $3,000,000 in the aggregate.
(b) Property insurance covering the perils of fire and extended coverage, vandalism and malicious mischief with coverage to be at replacement cost.
(c) Liability for owned, non-owned and hired vehicles with minimum coverage of $1,000,000 per occurrence and $3,000,000 in the aggregate.
(d) Umbrella liability insurance policy providing a minimum of $5,000,000 coverage including the above limits.
(e) Course of construction insurance at replacement cost.
(f) Workers' compensation insurance as required by applicable state law.
(g) Business interruption insurance (reasonable coverage and time limit).

The insurance policies must have at least the above minimum coverage. Your own business practices and specific landlord requirements may increase such coverage. Your obligation to maintain this insurance will not be limited in any way by reason of any insurance maintained by Us.

11.3 Qualified Insurance Carrier

All insurance policies required by this Agreement must be written by a responsible insurance company or companies satisfactory to Us, and in accordance with the minimum limits set forth in Section 11.2 above, which may be changed from time to time by Us at Our discretion to reflect changed conditions. Each insurance company must be rated no less than A VII by A.M. Best and Company. You must maintain such additional insurance coverage and increased limits that We may reasonably consider advisable for a R&B TEA Store business in the area where Your Store is located.

11.4 Certificates

Upon obtaining the insurance required by this Agreement and on each policy renewal date thereafter, You will deliver to Us for Our approval certificates of insurance showing compliance with the requirements of Section 11.1. Such certificates must state that the policy or policies will not be canceled or altered without at least thirty (30) days' prior written notice to Us. Maintenance of such insurance and the performance by You of Your obligations under this Section 11 will not relieve You under the indemnity provisions of this Agreement or limit such liability.

11.5 Failure to Insure

If You, for any reason, fail to obtain and maintain the insurance coverage required by this Section, We will have the right and authority to obtain immediately such insurance coverage, and to charge the cost thereof plus a ten percent (10%) processing fee to You, which charges will be paid immediately upon notice and will be subject to charges for late payments in the manner set forth in Section 2.3 above.

11.6 Changes in Insurance Requirements

You agree that to meet then current needs and situations We may in the Manual revise and add to the above requirements.

ARTICLE 12: DEBTS AND TAXES

12.1 Debts and Taxes

You must pay promptly when due all debts and other obligations incurred directly or indirectly in connection with Your Store and its operation; including, without limitation, all taxes and assessments that may be assessed against Your Store land, building and other improvements, equipment, fixtures, signs, furnishings and other property, and all liens and encumbrances of every kind and character incurred by or on behalf of You in conducting Your R&B TEA business. You may protest or contest any of such amounts so long as such protest or contest does not adversely affect the continued business of Your Store or possession of Your Store premises.

ARTICLE 13: PRINCIPALS, SALE AND ASSIGNMENT, RESTRICTIONS

13.1 Definition of Principals; Personal Guarantees

For purposes of this ARTICLE 13, the term "**Principals**" will include the persons signing this Agreement as Principals, any of Your future owners, owner's spouses and any trust for the benefit of any such Principal. Unless We have given Our written consent to the contrary, each of the Principals signing this Agreement hereby personally guarantees, jointly and severally, the full payment and performance of Your obligations under this Agreement. We have an unrestricted right to approve all owners and any future owners. A copy of the Personal Guarantee is attached hereto as **Exhibit 2.**

13.2 Authorized Agent

You and the Principals appoint the person specified in the SUMMARY (the **"Authorized Agent")** with full authority to act on behalf of You and the Principals in regard to performing, administering or amending this Agreement. We may deal completely with the Authorized Agent in such regard unless and until Our actual receipt of written notice from You and the Principals of the appointment of a successor to the Authorized Agent.

13.3 Personal Contract; Consent Mandatory

You agree that a material part of the consideration for Our entering into this Agreement is the personal confidence We have in You and the Principals. No person will succeed to any of Your rights under this Agreement by virtue of any voluntary or involuntary proceeding in bankruptcy, receivership, attachment, execution, assignment for the benefit of creditors, other legal process or transfer not expressly authorized and consented to by Us. Except as expressly provided for in this Agreement, any attempt by You to transfer any of Your rights or interest under this Agreement will constitute a material breach of this Agreement, and in such event We will have the right to terminate this Agreement upon written notice to You. We will not be bound by any attempted transfer in any manner whatsoever, by law or otherwise, of any of Your rights or interests under this Agreement except as permitted by this ARTICLE 13.

13.4 Form of Legal Entity

(a) If You have been organized under applicable law as a legal entity such as a corporation, partnership or limited liability company (hereinafter referred to as a "**Legal Entity**") or if Your interests in this Agreement are to be transferred to a Legal Entity, such Legal Entity must be expressly approved in advance and in writing by Us. We will not charge a transfer fee for forming such a Legal Entity or transferring ownership to such Legal Entity.

(b) You must comply with this Section 13.4 and any other condition which We may require, including a limitation on the number of owners of the Legal Entity and to require a Personal Guaranty. We have the unrestricted right to approve all equity owners and any future owners. The organization documents must be promptly submitted for Our review.

(c) Unless We provide Our prior written consent to the contrary, the Legal Entity must satisfy the following conditions and such other conditions as We may require under the circumstances:

(i) The Legal Entity must be closely held with the single purpose of operating R&B TEA businesses.

(ii) The Principals will own and control not less than fifty and one-tenth percent (50.1%) of the voting rights of the Legal Entity or otherwise satisfy Us that the Principals have operational control of the Legal Entity.

(iii) There will not be more than ten (10) owners of the Legal Entity in addition to the Principals.

(d) You must notify Us of any proposed issuance or transfer of an ownership interest in the Legal Entity, and We will have thirty (30) days after its receipt of such notice to disapprove such intended issuance or transfer. Such disapproval must be reasonable and based on the transferee's being involved with other parties in competition with R&B TEA businesses or having a known history, reputation or character which is adverse to the interests of R&B TEA businesses. Each such notice from You must identify the proposed transferor and transferee and provide a complete and accurate description of the proposed transferee sufficiently detailed to allow Us to make a reasoned decision of approval or disapproval.

(e) Notwithstanding anything to the contrary contained in this Section 13.4, a transfer of ownership interest in the Legal Entity which involves only a transfer between or among the Principals, entities wholly owned and controlled by the Principals or any of them or entities controlled by any Principal for the benefit of members of his or her immediate family shall not require Our prior written approval so long as the other requirements of this Section 13.4 are satisfied and We receive prior written notice of such transfer together with complete details regarding the ownership and legal structure of the transferee(s). We will not unreasonably withhold Our approval of any transfer so long as the Principals maintain operational control over You.

(f) The organizational documents of the Legal Entity, including Articles, Bylaws, Operating Agreements, Partnership Agreements, must contain the restrictions set forth in this Section 13.4. You will cause to be printed on each certificate or other document of ownership of the Legal Entity a legend referencing the restrictions contained herein, which will read substantially as follows:

"The transfer of ownership in this company is subject to the terms and conditions of a R&B TEA Franchise Agreement.
Reference is made to such Franchise Agreement and to the restrictive provisions contained in the organization documents of this company."

13.5 <u>Written Consent</u>

(a) Except as otherwise expressly set forth in this ARTICLE 13, neither Your rights and interests under this Agreement nor any ownership interests in You (if You are a Legal Entity) may be sold, assigned, encumbered or otherwise transferred (all of which are hereinafter included within the term "**transfer**") in whole or in part in any manner whatsoever without Our prior express written consent.

(b) We will not unreasonably withhold Our consent to a transfer. In considering a request for transfer, We will consider, among other things, the qualifications, apparent ability and credit standing of the proposed transferee as if he or she were a prospective direct purchaser of a franchise from Us. In addition, but without limitation, We will require as conditions to the granting of Our consent all of the following:

(i) There must be no existing default in the performance or observance of any of Your obligations under this Agreement or any other agreement with Us, and Your Store will be in condition and appearance satisfactory to Us and in accordance with Our System standards at that time;
(ii) You must settle all outstanding accounts with Us and our Affiliate(s);
(iii) You must pay Us a Transfer Fee, to compensate Us for Our expenses incurred in connection with investigating the qualifications of the proposed transferee, training the proposed transferee and the direct administrative costs of effectuating the transfer. (The amount of the Transfer Fee is stated in the SUMMARY);
(iv) The proposed transferee must appoint a Designated Operator acceptable to Us; Designated Operator and the proposed transferee (at its option, if different) must, prior to the transfer, personally attend and satisfactorily complete Our Initial Training Program;
(v) The owners of the proposed transferee (with 10% or more of the outstanding voting interests) who have not attended Our Initial Training Program, must attend and complete Initial Training to Our reasonable satisfaction;
(vi) The proposed transferee or other person(s) designated by Us must execute Our then current form of Franchise Agreement for the remaining term of this franchise;
(vii) The transfer documents must contain a non-competition agreement by You similar to that set forth in this Agreement at subsection 4.9(f);
(viii) If You or Your Principals finance any part of the sale price of the transferred interest, You and Your Principals must agree that all of the proposed transferee's obligations are subordinate to the transferee's obligations to pay amounts due to Us and Our Affiliate(s); and
(ix) Such other requirements as We may in Our discretion deem reasonably necessary, including a general release of any claims against Us.

(c) Neither this Agreement, any of the rights conferred on You hereunder nor any ownership interests in the purchasing franchisee may be retained by You as the transferring franchisee as security for the payment of any obligation that may arise by reason of any such transfer.

13.6 Death and Disability

(a) Except as provided for herein to the contrary, the death or disability of an owner of a Legal Entity shall have the legal results of applicable law. In the event of the death or legal incapacity of one of the Principals, the decedent's estate or You must immediately notify Us of such death, and within thirty (30) days after such notice further notify Us of a proposed successor to the decedent's interests (the "**Successor**"). If We approve the Successor, he or she will replace the decedent as a Principal hereunder.

(b) In the event We do not approve the Successor, We will so notify You, and You or the decedent's estate will use Your best efforts within the six (6) months from the date of such written notice from Us to sell the interests in this Agreement and Your Store to a bona fide purchaser in accordance with and subject to all of the provisions of this ARTICLE 13. If by the end of such six-month period, You have not consummated a transfer of such interest or stock in a transaction which meets the requirements of this ARTICLE 13, We will have the option to purchase all of such interest in Your Store and franchise or in the ownership of the Legal Entity at the fair market value thereof as determined in good faith by an independent appraiser selected as set forth in subsection (c) below.

(c) The procedure for determining the fair market value or other terms of purchase shall be that We and You shall each select one appraiser and such two appraisers shall select a third appraiser, and the third appraiser shall make the necessary determination, with the costs of appraisal to be borne equally by You and Us.

(d) If We in Our discretion decide that the death or disability of an individual, a Principal or a Successor will result in unsatisfactory operation of Your Store, We may take over operation of Your Store temporarily, and You will reimburse Us for all of Our costs and compensate Us for Our efforts at an amount equal to 5% of Gross Revenues during such time.

13.7 Right of First Refusal

(a) You must give written notice to Us of any planned, attempted transfer or offer to transfer by You in any manner whatsoever of any interest in or under this Agreement or of any transfer of the controlling ownership interest in You if You are a Legal Entity.

(b) You grant Us the right of first refusal in regard to any such offer or transfer to purchase such interest on the same terms and conditions (or on terms and conditions determined by Us which will result in the same net financial benefits to You as transferor). In exercising Our right of first refusal, We may pay the transferor cash at closing in the same amount as the principal amount of any promissory note(s) otherwise required by the transferee or in the amount of the fair market value of any other non-cash purchase price, and if stock is provided for, may substitute stock of Ours or an affiliated corporation in an equivalent value to the stock contained in the offer of first refusal. Any determination of fair market value, equivalent value or net financial benefits made by Us in good faith shall be deemed an acceptance of the offer. Until We have accepted or rejected the offer of first refusal from You, You will neither consider nor accept any other offer and will keep confidential all of the terms of such transfer.

(c) The first refusal offer to Us must be in writing and must include complete details of all of the terms, conditions and provisions of the proposed transfer, including copies of all agreements which may be assumed by or assigned to the transferee. After receipt of all of such information, We will have thirty (30) days after actual receipt of all of such documents within which to accept or reject it. Our failure to accept within such thirty (30) days will constitute a rejection. If rejected, You may consummate the transfer to a third party if all other provisions of this Agreement are satisfied, but the transfer must be consummated within six (6) months and only upon the terms, conditions and provisions previously offered to Us.

(d) After any rejection by Us, You must in all events submit a fully executed copy of all final transfer documents to Us at least three (3) days in advance of any proposed consummation or closing date for Our review and comparison with the first refusal offer previously submitted to it. Any variation will require an offer of first refusal to Us on the varying terms following the same procedures set forth above. Our right of first refusal will be unrestricted and absolute, and We will in all cases have at least thirty (30) days to consider and act on each offer or any change in the terms and conditions of offer.

(e) Nothing contained in this Section 13.7 will in any way be deemed to limit Our discretion in considering, approving or disapproving any request to transfer any interest under this Agreement.

13.8 Assumption

This Agreement and Our rights, interests and obligations hereunder may be transferred to the benefit of any entity which succeeds to Our business and assumes Our obligations hereunder.

ARTICLE 14: TRADEMARKS

14.1 Ownership of Marks

You agree that We have the sole and exclusive right (except for rights granted under existing and future franchise agreements) to use the Marks in connection with the products and services to which they are or may be applied by Us. Such rights have been granted under and subject to the Trademark Agreement with Super Tea International. You represent, warrant and agree that neither during the term of this Agreement nor after its expiration or other termination will You directly or indirectly contest or aid in contesting the validity, ownership or use of the Marks by Us or take any action whatsoever in derogation of the rights claimed therein by Us. The license granted under this Agreement to use the Marks does not give You any ownership interest or other interest in or to the Marks.

14.2 Nonexclusive License

The license granted under this Agreement to use the Marks is nonexclusive except to the extent otherwise specified herein, and We, in Our sole and absolute discretion, may grant other licenses in, to and under the Marks in addition to those licensees already granted, both within and outside Your Store's trading area, and to develop and license other names and marks on any such terms and conditions as We deem appropriate.

14.3 Other Uses

You expressly agree that We have the exclusive, unrestricted right to engage directly and indirectly, through alternative channels of distribution, including without limitation by Internet commerce or e-commerce, at wholesale, retail and otherwise, within Your Store trading area and elsewhere, in (a) the production, distribution and sale of services and products under the Marks licensed hereunder or other marks; and (b) the use, in connection with such production, distribution and sale, of any and all trademarks, trade names, service marks, logos, insignia, slogans, emblems, symbols, designs and other identifying characteristics as may be developed or used from time to time by Us. The license granted to You under this Agreement does not include any right or authority of any kind whatsoever to sell outside of Your Store any products or services under the Marks. We have the sole and exclusive right to such rights at all times and at all locations.

14.4 Goodwill

Nothing contained in this Agreement will be construed to vest in You any right, title or interest in or to the Marks, the goodwill now or hereafter associated therewith or any right in the design or any R&B TEA Store building, other than the rights and license expressly granted herein of the term hereof. Any and all goodwill associated with or identified by the Marks will inure directly and exclusively to Our benefit, including without limitation any goodwill resulting from operation and promotion of Your Store.

14.5 Use of Marks

You will not use the Marks in connection with any statement or material which may, in Our judgment, be in bad taste or inconsistent with the R&B TEA public image, or tend to bring disparagement, ridicule or scorn upon Us, the Marks or the goodwill associated therewith. You, whether doing business as a proprietorship or Legal Entity, will not adopt, use or register (by filing a certificate or articles of incorporation, a fictitious business name statement, or otherwise) any trade name or business name, style or design which includes, or is similar to, any of R&B TEA identifying characteristics. We will defend You (using legal counsel chosen by Us) and indemnify You from any claims of infringement regarding use by You of the Marks so long as You were using the Marks properly and as authorized by this Agreement.

14.6 Changes in Marks; Protection

We will have the right at any time and from time to time upon notice to You to make additions to, deletions from, and changes in the Marks, or any of them, all of which additions, deletions and changes will be as effective as if they were incorporated in this Agreement. All such additions, deletions and changes will be made in good faith, on a reasonable basis and with a view toward the overall best interest of R&B TEA Stores generally. You must promptly comply with any required changes, revisions and/or substitutions, and You will pay all the costs of modifying Your signs, advertising materials, interior graphics and any other items which bear the Marks. We will protect and preserve the integrity and validity of the Marks by taking the actions deemed by Us in Our discretion to be appropriate in the event of any apparent infringement of the Marks.

14.7 Infringements

You must notify Us promptly of any claims or charges of trademark infringement against Us or You, as well as any information You may have of any suspected infringement of the Marks. You will take no action with regard to any such matters without Our prior written approval, and will cooperate fully with Us in dealing with any infringement or claim of infringement.

ARTICLE 15: EXPIRATION AND TERMINATION

15.1 Events of Default; Liquidated Damages

(a) In addition to any other rights of termination set forth in this Agreement, We will have the right to terminate this Agreement immediately upon written notice to You if any of the following events occur:

(i) In the event of any breach or default under Sections 1.4 (opening date), 4.3(c) (failure to comply with applicable laws), 5.2 (mandatory training), 9.2 (surveys, inspection and corrections), 13.3 and 13.5 (unauthorized transfer) or 13.7 (right of first refusal);

(ii) If a petition in bankruptcy, an arrangement for the benefit of creditors or a petition for reorganization is filed by or against You, or if You make any assignment for the benefit of creditors, or if a receiver or trustee is appointed for Your Store, unless remedied to Our satisfaction within twenty (20) days;

(iii) If You for any reason lose Your right to possession of Your Store premises;

(iv) If We discover that You have made any material misrepresentation or omitted any material fact in the information furnished by You in connection with the grant of this franchise;

(v) If You (or any Principal) are convicted of any felony or other criminal conduct which is relevant to operation of Your Store or if You engage in conduct which reflects materially and unfavorably upon the operation and reputation of the business of R&B TEA or its System. Once You or any Principal has been arrested or formally charged, We will have the right (i) to require that the individual(s) charged be removed from any active role in Your Store pending final disposition of the charges; and (ii) if the person(s) charged include the Designated Operator, to take over operation of the Store and to manage the Store pending final disposition of the charges. If We exercise the right in clause (ii), We may charge a reasonable management fee for Our services;

(vi) If You abandon Your Store by failing to operate it for five consecutive days or lesser period if the facts and circumstances indicate that You do not intend to continue to operate Your Store (except as a result of fire, flood, earthquake or similar causes beyond Your control);

(vii) If You repeatedly fail to comply with one or more requirements of this Agreement, whether or not corrected after notice; or

(viii) If We make a reasonable determination that continued operation of Your Store by You will result in an imminent danger to any of its customers or to public health or safety.

(b) If You default in any other requirement of this Agreement, We will have the right to terminate this Agreement immediately following thirty (30) days written notice to You (except in the case of a default in payment to Us, in which case only five (5) days written notice is required). If a non-monetary default cannot by its nature reasonably be cured within such thirty-day period, and so long as You are diligently taking all action reasonably necessary to effect such cure, the cure period will be extended to a reasonable amount of time to effect such cure. A default in any other R&B TEA franchise agreement in which You or anyone holding an interest in You also has an interest will be considered a default under this Agreement, which if not cured will result in termination of this Agreement.

(c) We may terminate this Agreement immediately upon written notice to You without any curative period if a default is repeated within any 12-month time period.

(d) The provisions of this Section 15.1 are subject to the provisions of any local statutes or regulations which may prohibit Us from terminating this Agreement without good cause or without giving You additional prior written notice of termination and opportunity to cure any default.

(e) Liquidated Damages

(i) Upon termination of this Agreement due to Your action or failure to take action according to its terms and conditions, You agree to pay Us within thirty (30) days after termination, in addition to any amounts owed Us or Our Affiliates, liquidated damages equal to the average monthly Royalty Fees owed or paid during the 12 full calendar months of operation preceding the effective date of termination multiplied by (A) 24 (being the number of months in two (2) full years), or (B) the number of months remaining in the Agreement had it not been terminated, whichever is less.

(ii) The parties hereto acknowledge and agree that it would be impracticable to determine precisely the damages We would incur from this Agreement's termination and the loss of cash flow from Royalty Fees due to, among other things, the complications of determining what costs, if any, We might have saved and how much the Royalty Fees would have grown over what would have been this Agreement's current remaining term. The parties hereto consider this liquidated damages provision to be a reasonable, good faith pre-estimate of those damages. The parties agree that the liquidated damages provision is not meant as a penalty.

15.2 Termination by You

You may terminate this Agreement following ninety (90) days written notice to Us if We materially breach this Agreement and fail to cure such breach within such ninety-day period.

15.3 Requirements Upon Termination

Upon the expiration or earlier termination of this Agreement for any reason, You must:

(a) immediately discontinue the use of the Marks and the System, including all R&B TEA proprietary procedures and information;

(b) unless We consent to the contrary, remove the Marks from Your Store building and its signs, fixtures and furnishings, eliminate entirely R&B TEA trade dress and alter and paint Your Store building and other improvements a design and color which is basically different from the R&B TEA image and design so that there will no longer be any indication to the public that Your Store was a R&B TEA Store. If You fail to make or cause to be made any such change within thirty (30) days after written notice, We will have the right to enter upon Your Store premises, without being deemed guilty of trespass or any other tort, and make or cause to be made such changes and You will reimburse Us for all of Our reasonable expenses immediately following demand;

(c) not thereafter use any identifying characteristic that is in any way associated with Us or similar to those associated with Us, or operate or do business under any name or in any manner that might tend to give the public the impression that You are or were a franchisee or otherwise associated with Us;

(d) immediately deliver to Us all copies of the Manual and any items bearing the Marks or which are confidential; and

(e) promptly sign any documents and take any steps that in Our judgment are necessary to delete Your listings from classified telephone directories, websites and social media pages; disconnect, at our option, assign to Us any telephone numbers used in connection with Your Store; and terminate all other references that suggest You are or ever were associated with Us. By signing this Agreement, You irrevocably appoint Us Your attorney-in-fact to take the actions described in this Section if You do not do so within seven days after this Agreement is terminated; and

(f) pay all sums due Us or to become due to Us pursuant to this Agreement.

15.4 Trademark Infringement

If You refuse to comply with a written notice of termination sent by Us and a court later upholds such termination of this Agreement, any operation of Your Store by You from and after the date of termination stated in such notice will constitute trademark infringement by You and You will be liable to Us for damages resulting from such infringement in addition to any royalties paid or payable hereunder, including, without limitation, Your profits.

15.5 Option

If Your Store premises are leased by You from a third party, You will have included in such lease and any subsequent lease of the premises the right by You to assign such lease to Us without further consent by the lessor. We may elect to have the lease automatically assigned to Us under such provision if this Agreement is terminated, whether it is terminated by Us or by You. If We so elect, You will immediately vacate the premises, and We will be entitled to take possession of said premises, including all fixtures and leasehold improvements, and We will pay to You the fair market value of the interests owned by You in Your Store's furnishings and equipment. Fair market value will be determined by mutual agreement or an appraiser selected by Us or the American Arbitration Association if We cannot agree.

ARTICLE 16: MISCELLANEOUS

16.1 No Effect

The waiver by Us of any breach or default, or series of breaches or defaults, of any term, covenant or condition herein or of any same or similar term, covenant or condition in any other agreement between Us and any franchisee will not be deemed a waiver of any subsequent or continuing breach or default of the same or any other terms, covenants or conditions contained in this Agreement, or in any other agreement between Us and any franchisee.

16.2 Right and Remedies

All of Our rights and remedies will be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies 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. Our rights and remedies will be continuing and not 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 or earlier termination of this Agreement will not discharge or release You from any liability or obligation then accrued or any liability or obligation continuing beyond or arising out of the expiration or earlier termination of this Agreement.

16.3 Consents

Whenever the consent of a party is sought or required hereunder, such consent will not be unreasonably withheld.

16.4 Partial Invalidity

If any part of this Agreement will for any reason be declared invalid, unenforceable or impaired in any way, the validity of the remaining portions will not be affected thereby, and such remaining portions will remain in full force and effect as if this Agreement had been executed with such invalid portion eliminated. It is hereby declared the intention of the parties that they would have executed the remaining portion of this Agreement without including therein any such portions which might be declared invalid; provided, however, that in the event any part hereof relating to the payment of fees to Us, or the preservation of the Marks, trade secrets or secret formulae licensed or disclosed hereunder is for any reason declared invalid or unenforceable, then We will have the option of terminating this Agreement upon written notice to You.

16.5 Arbitration; Jurisdiction

(a) Except as set forth in Subsection 16.5(b), any unresolved dispute between the parties arising out of this Agreement shall be submitted to binding arbitration pursuant to the rules of the American Arbitration Association applicable to commercial arbitrations and the Federal Arbitration Act. All proceedings in the arbitration shall be held within the county in which Our corporate headquarters are located (the "**Home County**" as specified in the SUMMARY). At the conclusion of the arbitration, the arbitrator must deliver to the parties a written statement of conclusions of fact and conclusions of law supporting the final award of the arbitrator. Any party may move for judicial confirmation, modification or correction of the final award of the arbitrator within 60 days after receipt thereof. Alternatively, judgment upon such decision may be entered in any court having jurisdiction over the matter. Arbitrators shall apply the law of the State of California (without giving effect to any conflict of law principles) as set forth in section 16.7 below.

(b) Notwithstanding the foregoing, any action by Us which involves Your continued usage of any of the Marks or the System or an issue involving injunctive relief, may be submitted to a court in the Home County having jurisdiction over the issue involved. You and We expressly consent to personal jurisdiction in the Home County and agree that such court(s) shall have exclusive jurisdiction over any issues not subject to arbitration.

16.6 Attorneys Fees

You agree to reimburse Us for all expenses We reasonably incur (including reasonable attorneys' fees) to enforce the terms of this Agreement or any obligation owed to Us by You and/or the Principals, whether or not a demand for arbitration or a lawsuit is filed. If either party initiates any legal proceeding which involves issues arising out of this Agreement, the prevailing party in such action will be paid its reasonable attorneys' fees and costs by the other party.

16.7 Governing Law

The parties agree that the law of the State where the Store is located (without giving effect to any conflict of laws principles) will apply to the construction and enforcement of this Agreement and govern all questions which arise with reference hereto.

16.8 Notices

All notices and other communications required or permitted to be given hereunder will be deemed given when delivered in person, sent by an established overnight delivery service or mailed by certified mail addressed to the recipient at the address set forth below, unless that party will have given such written notice of change of address to the sending party, in which event the new address so specified will be used. If mailed, such notice shall be deemed to have been received three days after mailing, and if sent by overnight delivery, such notice shall be deemed to have been received the day following sending.

Us: R&B Tea USA LLC
12771 Western Avenue, Unit B
Garden Grove, CA 92841
ATTN: LLC Manager Teresa Le

With a copy to:

Patricia L. Stoop
Rodney R. Hatter & Associates
4000 Macarthur Blvd., Suite 600 East Tower
Newport Beach, CA 92660

You: As stated in the SUMMARY

16.9 Terms and Headings

All terms used in this Agreement regardless of the number and gender in which they are used, will be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context or sense of this Agreement may require, the same as if such words had been written in this Agreement themselves. The headings inserted in this Agreement are for reference purposes only and will not affect the construction of this Agreement or limit the generality of any of its provisions. Definitions are presented in bold face solely for ease of reference.

16.10 Compliance with Laws

You will at Your own cost and expense promptly comply with all laws, ordinances, orders, rules, regulations, and requirements of all federal, state and municipal governments and appropriate departments, commissions, boards and offices thereof. Without limiting the generality of the foregoing, You will abide by all applicable rules and regulations of any Public Health Department.

16.11 Entire Agreement

This Agreement and the documents referred to herein constitute the entire agreement between the parties and supersede and cancels any and all prior and contemporaneous agreements, understandings, representations, inducements and statements, oral or written, of the parties in connection with the subject matter hereof. Nothing in this Agreement or any related agreement is intended to disclaim the representations We have made in Our Franchise Disclosure Document.

16.12 Amendment or Modification

Except as expressly authorized herein, no amendment or modification of this Agreement will be binding unless executed in writing by both Us and You.

16.13 Acknowledgment

BY INITIALING WHERE INDICATED, YOU EXPRESSLY ACKNOWLEDGE THAT:

(a) YOU HAVE ENTERED INTO THIS AGREEMENT AS A RESULT OF YOUR OWN INDEPENDENT INVESTIGATION, AND AFTER CONSULTATION WITH AN ATTORNEY OR OTHER ADVISOR(S) OF YOUR CHOICE~~, AND IN ANY EVENT NOT AS A RESULT OF ANY REPRESENTATIONS BY US, OUR AGENTS, OFFICERS OR EMPLOYEES EXCEPT AS CONTAINED HEREIN AND IN OUR FRANCHISE DISCLOSURE DOCUMENT PREVIOUSLY DELIVERED TO YOU~~.

YOUR INITIALS:______

(b) ~~YOU ARE NOT RELYING UPON ANY FINANCIAL PROJECTIONS OR SIMILAR INFORMATION OR EARNINGS CLAIMS MADE BY US OR ANYONE ON OUR BEHALF.~~

~~YOUR INITIALS:______~~

~~(c)~~ A COMPLETE COPY OF THIS AGREEMENT AS SIGNED BY YOU WAS RECEIVED BY YOU AT LEAST SEVEN CALENDAR DAYS PRIOR TO ITS EXECUTION BY YOU AND A COMPLETE COPY OF OUR FRANCHISE DISCLOSURE DOCUMENT WAS RECEIVED AT LEAST 14 CALENDAR DAYS PRIOR TO YOUR EXECUTION OF THIS AGREEMENT.

YOUR INITIALS:______

* * * * * * * * * * *

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

You:	**Us:**
___________________________	R&B Tea USA LLC
___________________________	By: _____________________________________ Teresa Le, LLC Manager

Your Principals:

Printed Name: __________________________ %Ownership: _____

Signature: _____________________________

Printed Name: __________________________ %Ownership: _____

Signature: _____________________________

Printed Name: __________________________ %Ownership: _____

Signature: _____________________________

Exhibit 1

PROTECTED AREA

Execute *only if* the geographic area is identified as a high density area.

We have determined that Your R&B TEA Store will be located within a "high density area" as referred to in Section 1.2(b) of the Franchise Agreement. Accordingly, the geographic area described below is the **Protected Area**:

You: ______________________________

By: ______________________________

Title: ______________________________

Us: R&B Tea USA LLC

By: ______________________________
Teresa Le, LLC Manager

Exhibit 2

PERSONAL GUARANTY

For good and valuable consideration, the receipt of which is hereby acknowledged, each of the undersigned (the "**Guarantors**") hereby personally guarantees, jointly and severally, the due, punctual and full payment and performance of each and all of the obligations of the franchisee ("**Franchisee**") under the foregoing R&B TEA Franchise Agreement dated _____________, 202____ by and between the Franchisee and R&B Tea USA LLC ("**Franchisor**") and hereby individually undertakes to be bound by all of the terms of such Franchise Agreement.

It is the intention of the undersigned that this Personal Guaranty shall be full and absolute. Accordingly, each of the Guarantors hereby waives and agrees not to assert or take advantage of any right or defense based on the absence of any presentment, demand (including demands for performance), notice and protest of each and every kind and of any right to require the Franchisor or its assignee to proceed against Franchisee or any other person or to pursue any other remedy before proceeding against a Guarantor.

This Personal Guaranty applies to, binds and inures to the benefit of the Guarantors and their heirs, devisees, legatees, executors, administrators, representatives, successors and assigns. The Franchisor may assign its rights hereunder without reducing or modifying the liability of any Guarantor hereunder.

IN WITNESS WHEREOF, each of the Guarantors has executed this Personal Guaranty as of the date set forth below.

______________________________ ______________________________

______________________________ ______________________________

("**Guarantors**")

Dated:_________________________

Exhibit 3

CONFIDENTIALITY AGREEMENT

The undersigned Employee of______________________ ("Employer"), which has applied for and/or received a R&B TEA franchise hereby agrees that he or she shall not, while employed by Employer or following such employment, communicate to, or use for the benefit of, any other person, persons, partnership, or corporation any confidential information, knowledge, or know-how concerning the methods of operation of a R&B TEA business; provided, however, that the foregoing does not include information which the Employee can demonstrate came to his or her attention prior to being employed by Employer or which has become a part of the public domain through publication or communication by others.

The Employee acknowledges and agrees that Employer alone will be solely responsible for all hiring and employment decisions and functions relating to Employer's R&B Tea business, including those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision, and discipline of employees, regardless of whether Employer has received advice from Franchisor on these subjects or not. Employee is not employed by Franchisor.

The Employee agrees to promptly disclose to Employer, any and all ideas, improvements, processes, names, menu items, and enhancements to the franchised business which Employee alone or with others invents, discovers makes or conceives ("Innovations") at any time during, and for a period of one year after employment in a R&B TEA Store. All such Innovations will be deemed the sole and exclusive property and works made-for-hire for R&B TEA USA, LLC (the "Franchisor"). The Franchisor has the right to incorporate such Innovations into the System without compensation to the Employee.

The Employee acknowledges that any failure to comply with the requirements of this Confidentiality Agreement will cause Employer and the Franchisor irreparable injury, and Employee agrees that in addition to any other right or remedy provided by law, Employer and/or the Franchisor shall be entitled to specific performance of, or an injunction against violation of, the requirements of this Confidentiality Agreement.

The Employee agrees that upon termination of his or her employment with Employer for any reason, he or she will return all copies of documents containing confidential information or trade secrets to Franchisee, including without limitation the R&B TEA Confidential Manual(s).

IN WITNESS WHEREOF, the undersigned has executed this document in consideration of his or her employment by the Employer.

DATED: ______________________

Print Name:_______________________________

Signature: _______________________________
("Employee")

Exhibit
B

R&B TEA®

AREA DEVELOPMENT AGREEMENT

R&B TEA
AREA DEVELOPMENT AGREEMENT
TABLE OF CONTENTS

R&B TEA®
AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT dated _______________, 202__, is between R&B TEA USA, LLC, LLC, a California limited liability company ("**We**", "**Us**" or "**Our**", on the one hand), and ________ ___________________________________, organized under the laws of the State of _________________ ("**You**" or "**Your**"), and the person(s) executing this Agreement as "**PRINCIPALS**" (the "**Principals**"), on the other hand.

A. We own the exclusive rights to offer and sell franchises for the operation of approved food service outlets offering desserts, teas and other food and beverage products using the name and trademark R&B® and other approved trademarks and following a system of operation which was developed and used by Us and Our commonly owned companies which operate and market their Stores (collectively, the "**Company**").

B. We are party to a trademark agreement with Super Tea International, a Seychelles corporation, that awards Us the right to own and operate, and to award franchises to third parties to own and operate, R&B Stores ("**Trademark Agreement**").

C. You represent that (i) You have the expertise, financial resources, local marketing knowledge and know-how to open and operate multiple R&B outlets at the same time in the territory identified in this Agreement and (ii) You are willing to invest the necessary capital, time, and skill to meet the development commitments in this Agreement.

In consideration of the mutual promises set forth herein, the parties agree as follows:

1. GRANT OF DEVELOPMENT RIGHTS

1.1 Development of Territory. We hereby grant to You the right to open and operate an R&B TEA franchise Outlets ("**Outlets**") in the geographic area which is specified in **Exhibit A** attached hereto and incorporated herein by reference (the "**Territory**").

1.2 Your Territorial Rights. (a) During the term and any extension of this Agreement, We will not (a) license or allow any other party to operate an Outlet within the Territory except one or more "**Non-traditional Venue**" Outlets defined in subsection 2.1(c) below, or (b) open or operate, directly or indirectly, any Outlets within the Territory (except pursuant to any first refusal rights contained in any Franchise Agreement between You and Us, or as otherwise provided in Article 5 below).

(b) Notwithstanding the foregoing, if You have opened the minimum number of Outlets referred to in Section 2.1 below and We determine in Our discretion that one or more additional Outlets should be developed within the Territory, We will notify You in writing of such determination and offer You the right of first refusal to develop such Outlet(s). If after 30 days following mailing of such notice, We have not received Your written acceptance of such right of first refusal, We may develop such Outlets within the Territory or authorize other(s) to do so.

1.3 Termination by Material Breach. If this Agreement is terminated as a result of a material breach by You, We will have the full and absolute right to operate or franchise or license other parties to operate R&B TEA Outlets within the Territory.

1.4 Other Products and Outlets. You agree that We retain the unrestricted right within the Territory and elsewhere to use or license others to use, Our trademarks as follows to distribute clothing using such trademarks.

1.5 Not Transferable. This Agreement is a personal, non-transferable commitment by You to Us based on the personal confidence reposed by Us in the Principals. Accordingly, both parties agree that any attempt without the prior express written consent of Us to transfer, encumber or assign this Agreement by You or by the Principals in any manner whatsoever will cause the immediate and automatic termination of this Agreement, and We will have no further liability or obligation to You or the Principals pursuant to this Agreement.

2. TERM; DEVELOPMENT OF TERRITORY

2.1 Term. The term of this Agreement shall end on (i) the date set forth below or (ii) the date the Trademark Agreement with Super Tea is terminated or expires, whichever is earlier.

_______________, 202__ ("**Set Date**").

By entering into this Agreement, You accept the risk that the term will expire before the Set Date if the Trademark Agreement with Super Tea International is terminated or expires, and Super Tea International does not assume this Agreement. The expiration of the term before the Set Date shall not be treated as the termination of this Development Agreement under Applicable Law.

Your Initials: __________

2.2 Development Schedule. (a) You agree to develop at least a total of _____________(__) R&B TEA Outlets (the "**Required Outlets**") within the Territory during the term of this Agreement in strict accordance with the Development Schedule set forth in **Exhibit B** attached hereto and incorporated herein by reference (the "**Development Schedule**").

(b) The Development Schedule contains a specific number of Required Outlets to be opened and operated by You within the Territory during certain time periods. If any Outlets within the Territory are closed for business (except for authorized holidays or temporarily for major repairs or otherwise with Our prior written consent), such Outlets will not be included in computing the number of open and operating Required Outlets and in satisfying the deadlines set forth in the Development Schedule.

(c) The number of Required Outlets for purposes of the Development Schedule will not without Our prior written consent include an Outlet located at a "**Non-Traditional Venue",** which means a site or location for which the lessor, owner or operator thereof shall have indicated its intent to limit the operation of its food service facilities to itself or a master concessionaire or contract food service provider and which site or location is either (i) within another primary business or (ii) at an institutional setting such as a school, college and university, military and other governmental facility, hospital, hotel, limited access highway, shopping mall, airport, toll road, office or in-plant food facility, sports arena and stadium, supermarket, grocery store or convenience store.

2.3 Deadlines. The parties acknowledge and agree that the deadlines set forth in the Development Schedule are of the essence of this Agreement. No modification or amendment to the Development Schedule or any consent to or waiver of any deadline or other obligation of this Agreement will either (a) create any obligation to grant additional modifications, amendments, consents, or waivers or (b) be effective unless made by written mutual agreement of the parties.

3. DEVELOPMENT FEE

3.1 Development Fee. (a). In consideration of Our grant to You of the right to develop Outlets in the Territory as provided for herein, You agree to pay to Us upon execution of this Agreement the Initial Franchise Fee for the first Required Outlet plus $10,000 for each additional Required Outlet (the "**Development Fee**"). The Development Fee is non-refundable and is fully earned by Us upon Our execution hereof as a result of the grant of rights to You and Our forbearance from developing the Territory Ourselves or through other parties. You will not be entitled to a refund of such fee under any circumstances except as set forth in subsection (b) below.

(b) If the term of this Agreement expires due to the termination or expiration of the Trademark Agreement and Super Tea International does not assume this Agreement, We will refund the Development Fee for the remaining Required Outlets in the Development Schedule which have not executed a Franchise Agreement.

3.2 Amount of Fee. The total Development Fee to be paid by You upon execution of this Agreement is $_______________.

4. DEVELOPMENT PROCEDURES

4.1 Mandatory Compliance. You must at all times remain in compliance with this Agreement and all Franchise Agreements issued for Outlets developed hereunder. We will not approve any pending franchise application or site approval request by You for additional Outlet(s) if You are in material breach of any Franchise Agreement.

4.2 Site Approval. You will utilize Your own financial, real estate, construction and any other resources required to develop Outlets using architects, contractors, and vendors previously approved by Us. You agree to comply with the requirements of the Franchise Agreement and any additional requirements provided for in the Manual.

4.3 Franchise Agreements and Fees. You will receive $10,000.00 credit from the Development Fee toward the Initial Franchise Fee for each Required Outlet, except that the total Initial Franchise Fee for the first Required Outlet will be included in the Development Fee. You must pay the balance of the Initial Franchise Fee and execute Our then-current form of Franchise Agreement for each other Required Outlet. For the Required Outlets opened pursuant to Your Development Schedule, the Outlet's Royalties will be the same as those contained in Your first Required Outlet.

4.4 Confidentiality Agreements. You agree to obtain from each of the Principals and any other or Your representatives a Confidentiality Agreement in the form attached hereto as **Exhibit C** and incorporated herein by reference. You further agree to comply fully with the terms of such Confidentiality Agreement. A copy of all such signed agreements shall be delivered to Us within one week of their execution.

4.5 Designated Operator. (a) The individual named in this Section must be an experienced culinary professional with multi-unit Outlet supervisory experience who, will devote his or her full time, best efforts and constant personal attention to the operation and development of the Required Outlets, with full authority to act on Your behalf and on behalf of the Principals with regard to the operation of Your Outlets: ____ (the "**Designated Operator**").

(b) The Designated Operator must be at all times approved by Us and certified by Us as fully trained for development and Outlet operations. Certification and approval of the Designated Operator includes both satisfactory completion of Our Training Program, and also working sufficient additional time in a company-operated Outlet, as we deem necessary in our sole discretion, to successfully develop and operate an Outlet. Failure of the Designated Operator to successfully complete this training and the additional in-Outlet assignment to Our satisfaction constitutes a material breach of this Agreement. Any change in the identity of Your Designated Operator must be approved by Us in writing.

5. EXISTING OUTLETS; ACQUISITIONS

5.1 Company Outlets. If We or another entity under common control with Us ("**Affiliate**") currently operate R&B TEA Outlets within the Territory, such Outlets are specified on **Exhibit A** attached hereto and incorporated herein by reference ("**Company Outlets**"), and any present or proposed franchised Outlets in the Territory are specified on **Exhibit A** as "**Franchised Outlets**". Unless You are purchasing the Company Outlets or Franchised Outlets pursuant to separate agreement, You agree that Company Outlets and Franchise Outlets may continue to be operated as R&B TEA Outlets notwithstanding their location in the Territory. In any event, such Outlets will not be included under any circumstances toward meeting Your development obligations hereunder.

5.2 Acquisitions; First Right of Refusal.

(a) We may during the term hereof acquire a chain of Outlets from a third party with the intention of converting some or all of such Outlets to R&B TEA Outlets, in which event You agree that We may so convert any of such Outlets located within the Territory so long as We satisfy the following conditions:

(i) We will first send You a written offer to purchase all such Outlets within the Territory at Our total acquisition cost (including without limitation "soft" costs as defined below) for such Outlets.

(ii) You will have thirty days from the date such offer is sent to accept such offer, and until You have either rejected such offer or such thirty-day period has lapsed, no conversion or other offer to third parties will be made by Us.

(iii) Your failure to accept such offer within such thirty-day period will constitute a rejection.

(b) If You have accepted the above offer and converted such Outlet(s) to Our satisfaction, such Outlets(s) will apply toward meeting Your development obligations under the Development Schedule. If We convert or franchise another party to convert such Outlets, such Outlets will not have any effect on Your obligations under the Development Schedule.

(c) For purposes herein, "**soft costs**" will mean all internal and external costs incurred by Us in connection with the acquisition. These will include, without limitation, cost of funds, personnel time (e.g., in analyzing, negotiating, approving and permitting the acquisition, etc.), and out-of-pocket expenses (e.g., travel, lodging, meals, professional fees to attorneys, architects, engineers, etc.) in connection with the acquisition as applied pro rata to each Outlet being offered to You.

6. DEFAULT

6.1 Default by You. We will have the right to terminate this Agreement upon thirty (30) days written notice to You if You fail to perform any of Your material obligations contained in this Agreement and fail to cure such failure within thirty (30) days of Your receipt of such notice.

6.2 Deadlines Missed by You. TIME IS OF THE ESSENCE of this Agreement. Your failure to meet any deadline set forth in the Development Schedule will constitute a material default under this Agreement without any opportunity to cure such default or notice under Section 6.1 hereof. If You fail to meet such a deadline, We may at any time thereafter immediately terminate this Agreement effective upon written notice from Us. The termination of this Agreement will have no effect on any franchises previously issued to You or on franchises to be issued for sites where We have already approved the site and the franchise.

6.3 Other Defaults. A default by You under any R&B TEA Franchise Agreement will constitute a material default under this Agreement, in which event We may terminate this Agreement unless such default is timely cured in accordance with the term of the pertinent Franchise Agreement or applicable law.

7. PRINCIPALS; LEGAL ENTITY; COVENANTS

7.1 Definition of Principals. For purposes of this Article 8, the term "**Principals**" will include the persons executing this Agreement as Principals, their spouses or any trust for the benefit of such persons. We have an unrestricted right to approve all owners and any future owners.

7.2 Personal Guarantees. Unless We have given Our written consent to the contrary, each of the Principals signing this Agreement hereby personally guarantees, jointly and severally, the full payment and performance of Your obligations under this Agreement and under each and every Franchise Agreement to be entered into pursuant hereto.

7.3 Conflicts of Interest. During the term of this Agreement, neither You nor any Principal will, without Our prior express written consent of, directly or indirectly, engage in, or acquire any financial or beneficial interest in, any Outlet which is similar to or competitive with the business of R&B TEA Outlets ("**Similar Business**s")

7.4 Authorized Agent. You and the Principals appoint the following person with full authority (the "**Authorized Agent**") to act on Your behalf and on behalf of the Principals in regard to performing, administering or amending this Agreement and any and all Franchise Agreements related to it: ___________________________________
We may deal completely with the Authorized Agent in such regard unless and until Our actual receipt of written notice from You of the appointment of a successor to the Authorized Agent;

YOUR INITIALS: __________

7.5 Form of Legal Entity. (a) If You are organized under applicable law as a legal entity such as a corporation, partnership or limited liability company (hereinafter referred to as a "**Legal Entity**"), the Principals must notify Us of the form of such Legal Entity and have received Our written approval and You must comply with this Subsection 7.5 and any other condition which We may require. We have an unrestricted right to approve all equity owners and any future owners. We will not charge a transfer fee for forming such a Legal Entity. The organization documents must be promptly submitted for Our review.

(b) Unless We provide prior written consent to the contrary, the Legal Entity must satisfy the following conditions and such other conditions as We may require under the circumstances:

(i) The Legal Entity must be closely held with the single purpose of developing and operating R&B TEA Outlets.

(ii) The Principal(s) (as defined in Section 7.1 above) will collectively own and control not less than fifty-one percent (51%) of the voting rights of the Legal Entity or otherwise satisfy Us that the Principals have operational control of the Legal Entity.

(iii) Not more than twenty percent (20%) in the aggregate of the voting rights of the Legal Entity will be owned beneficially or of record by institutional firms or publicly held corporations.

(iv) There will be no public offerings of debt or equity ownership by or in the Legal Entity without Our prior written consent and approval.

(v) Prior to the end of ___ days after the date of this Agreement, at least $100,000 times the number of Required Outlets ($___________) cash will be invested in Your Legal Entity, which will be its minimum start up capitalization. You agree to furnish Us with written evidence of such investment on or before the above date.

(vi) You must at all times maintain in the Legal Entity (A) positive working capital and (B) a net worth of at least $100,000 multiplied by the number of Required Outlets developed hereunder.

(vii) There will not be more than five (5) owners of the Legal Entity in addition to the Principals without Our prior written consent and approval.

(viii) All persons with a 10% or greater interest in You must execute the Personal Guaranty in the form attached hereto as **Exhibit D**.

(ix) You have provided Us with such documentation as We have requested to evidence the foregoing.

(c) Throughout the term of this Agreement, the Legal Entity will not make any transfer of value to any of its beneficial or record owners or any affiliate of such owner (**"Owner")** which would create negative working capital or would cause the net worth of the Legal Entity to be less than $100,000.00 multiplied by the number of Required Outlets to be developed hereunder. Similarly, there will at no time be any transfer of value to any Owner unless You are fully current in all payments to Us and Our Affiliates and all

Advertising Cooperatives in the Territory. For purposes herein, "**transfer of value**" will include but not be limited to gifts, bonuses, salaries, benefits or other compensation, dividends of any nature, loans, cancellation of debt, purchases or sales, or similar transfers.

(d) You must notify Us of any proposed issuance or transfer of an ownership interest in the Legal Entity, and We will have thirty (30) days after receipt of such notice to disapprove such intended issuance or transfer. Such disapproval must be reasonable and based on the transferee's being involved with other parties in competition with R&B TEA Outlets, or having a known history, reputation or character which is adverse to the interests of R&B TEA Outlets. Our failure to respond timely to such notice will be deemed an approval of the proposed transfer. Each such notice from You must identify the proposed transferor and transferee and provide a complete and accurate description of the proposed transferee sufficiently detailed to allow Us to make a reasoned decision of approval or disapproval.

(e) Notwithstanding anything to the contrary contained in this Section 7.5, a transfer of ownership interest in the Legal Entity which involves only a transfer between or among the Principals, entities wholly owned and controlled by the Principals or any of them or entities controlled by any Principal for the benefit of members of his or her immediate family shall not require Our prior written approval so long as the other requirements of this Section 7.5 are satisfied and We receive prior written notice of such transfer together with complete details regarding the ownership and legal structure of the transferee(s). We will not unreasonably withhold approval of any transfer so long as the Principals maintain operational control of Your Legal Entity.

(f) The organization documents of the Legal Entity, including Articles, Bylaws, Operating Agreements, must contain the restrictions set forth in this Section 7.5. You will cause to be printed on each certificate or other document of ownership of the Legal Entity a legend referencing the restrictions contained herein, which will read substantially as follows:

"Transfer of ownership in this company is subject to the
terms and conditions of an R&B TEA
Area Development Agreement and Franchise Agreement(s).
Reference is made to such Agreements and to the restrictive provisions
contained in this company's organization documents."

7.6 Financial Statements. You and the Principals agree that each will furnish Us every year during the term hereof a certified copy of the same form of annual financial statements required of the Franchisee in the Franchise Agreements provided for herein. Such financial statements must be received by Us not later than one hundred twenty (120) days after the last day of each fiscal year. Any amendments to such information will be sent to us promptly. TIME IS OF THE ESSENCE with respect to completion and submission of each such document.

8. MISCELLANEOUS

8.1 Miscellaneous. (a) Each of the parties hereto agrees that the terms and conditions of this Agreement are confidential and restricted to the knowledge of the parties and their respective attorneys, accountants, advisors and only other persons whose knowledge of this Agreement are necessary for the implementation of the transaction contemplated hereby.

(b) The terms hereof are intended only to benefit the parties to this Agreement, and no one else is entitled to any benefits as a result of this Agreement or its terms and conditions.

(c) If any part of this Agreement will for any reason be declared invalid, unenforceable or impaired in any way, the validity of the remaining portions will not be affected thereby, and such remaining portions will remain in full force and effect as if this Agreement had been executed with such invalid portion eliminated. It is hereby declared the intention of the parties that they would have executed the remaining portion of this Agreement without including therein any such portions which might be declared invalid.

(d) Except as set forth in Section 8.1(e), any unresolved dispute between the parties arising out of this Agreement shall be submitted to binding arbitration pursuant to the rules of the American Arbitration Association applicable to commercial arbitrations and the Federal Arbitration Act. Such arbitration shall be held within the county in which Our corporate headquarters are located (the "**Home County**") (currently Orange County, California). At the conclusion of the arbitration, the arbitrator must deliver to the parties a written statement of conclusions of fact and conclusions of law supporting the final award of the arbitrator. Any party may move for judicial confirmation, modification or correction of the final award of the arbitrator within 60 days after receipt thereof. Alternatively, judgment upon such decision may be entered in any court having jurisdiction over the matter.

(e) Notwithstanding the foregoing, any action by Us which involves Your continued usage of any of the Marks or the System or an issue involving injunctive relief, may be submitted to a court in the Home County having jurisdiction over the issue involved. You and We expressly consent to personal jurisdiction in the Home County and agree that such court(s) shall have exclusive jurisdiction over any issues not subject to arbitration.

(f) The parties agree that except for conflict of laws issues, the law of the State where most of the Territory is located will apply to the construction and enforcement of this Agreement and govern all questions which arise with reference hereto with the following exceptions: (a) the arbitration clause will be exclusively governed by and construed according to the Federal Arbitration Act; and (b) trademark rights will be governed by and construed according to the Lanham Act.

(g) If either party initiates any legal proceeding which involves issues arising out of this Agreement, the prevailing party in such action will be paid its reasonable attorneys' fees and costs by the other party.

(h) All notices and other communications required or permitted to be given hereunder will be deemed given when delivered in person, sent by telefax to such person's telefax number, sent by an established overnight delivery service or mailed by registered or certified mail addressed to the recipient at the address set forth below, unless that party will have given such written notice of change of address to the sending party, in which event the new address so specified will be used. If mailed, such notice shall be deemed to have been received three days after mailing, and if sent by overnight delivery, such notice shall be deemed to have been received the day following sending.

Us: R&B Tea USA LLC
12771 Western Avenue, Unit B
Garden Grove, CA 92841
ATTN: LLC Manager Teresa Le

With a copy to:

Rodney R. Hatter, Attorney
Rodney R. Hatter & Associates
4000 Macarthur Blvd., Suite 600 East Tower
Newport Beach, CA 92660

You: ______________________________ FAX:__________________
____
____

(i) All terms used in this Agreement regardless of the number and gender in which they are used, will be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context or sense of this Agreement may require, the same as if such words had been written in this Agreement themselves. All terms used herein shall have their customary meanings unless specified to the contrary. The headings inserted in this Agreement are for reference purposes only and will not affect the construction of this Agreement or limit the generality of any of its provisions. Words in bold face are done so for ease of reference only.

(j) Nothing in this Agreement or any related agreement is intended to disclaim the representations We have made in Our Franchise Disclosure Document. This Agreement and the documents referred to herein constitute the entire agreement between the parties and supersede and cancels any and all prior and contemporaneous agreements, understandings, representations, inducements and statements, oral or written, of the parties in connection with the subject matter hereof. Except as may be expressly authorized herein, no amendment or modification of this Agreement will be binding unless executed in writing by both parties.

8.2 Acknowledgment. BY INITIALING WHERE INDICATED, YOU EXPRESSLY ACKNOWLEDGE THAT:

(a) YOU HAVE ENTERED INTO THIS AGREEMENT AS A RESULT OF YOUR OWN INDEPENDENT INVESTIGATION, AFTER CONSULTATION WITH AN ATTORNEY OR OTHER ADVISOR(S) OF YOUR CHOICE~~, AND IN ANY EVENT NOT AS A RESULT OF ANY REPRESENTATIONS OF US, OUR AGENTS, OFFICERS OF EMPLOYEES EXCEPT AS CONTAINED HEREIN AND IN OUR FRANCHISE DISCLOSURE DOCUMENT DELIVERED TO YOU~~.

YOUR INITIALS:______

(b) ~~YOU HAVE NOT RECEIVED AND ARE NOT RELYING UPON ANY FINANCIAL PROJECTIONS OR SIMILAR INFORMATION OR EARNINGS CLAIMS MADE BY US OR ANYONE ON ITS BEHALF EXCEPT AS CONTAINED IN OUR FRANCHISE DISCLOSURE DOCUMENT.~~

~~YOUR INITIALS:______~~

~~(c)~~ A COMPLETE COPY OF THIS AGREEMENT AS SIGNED BY YOU WAS RECEIVED BY YOU AT LEAST 7 CALENDAR DAYS PRIOR TO ITS EXECUTION BY YOU, AND A COMPLETE COPY OF OUR FRANCHISE DISCLOSURE DOCUMENT WAS RECEIVED AT LEAST 14 CALENDAR DAYS PRIOR TO YOUR EXECUTION OF THIS AGREEMENT.

YOUR INITIALS:______

****

IN WITNESS WHEREOF, the parties have executed the Agreement as of the day, month, and year first above written.

"You"

Sign here if the Area Developer is an individual(s):

Print Name: ___________________________ Print Name:____________________________

Signature: _____________________________ Signature: ____________________________

Print Name: ___________________________ Print Name:____________________________

Signature: _____________________________ Signature: ____________________________

Sign here is the Area Developer is a company and/or legal entity:

You: ________________________________

By: _________________________________

Title: ________________________________

Principals:

Printed Name: ___________________________ %Ownership: _____

Signature: ______________________________

Printed Name: ___________________________ %Ownership: _____

Signature: ______________________________

Printed Name: ___________________________ %Ownership: _____

Signature: ______________________________

"Us"

R&B TEA USA, LLC

By____

Teresa Le, LLC Manager

EXHIBIT A

TERRITORY

Your Name:

Description of Territory:

Existing Outlets (if any):

APPROVED:

YOU ______________________________

US: _________________________

EXHIBIT B

DEVELOPMENT SCHEDULE

1. Outlets Development. We have granted to you the right to develop and operate and you agree to develop and operate a minimum number of ________ (__) R&B Tea franchise Outlets in accordance with the terms of the Agreement.

2. Development Obligations. You agree to have the minimum number of such Outlets ("**Outlets**") open in the Development Area during the Development Periods and in operation at the end of each of the Development Periods listed below:

DEVELOPMENT PERIOD	**DEVELOPMENT REQUIREMENTS**	
ENDING ON:	TO BE OPENED DURING DEVELOPMENT PERIOD	CUMULATIVE NUMBER OF CENTERS OPEN AND IN OPERATION AT END OF DEVELOPMENT PERIOD

APPROVED:

YOU: ___________________________

US: _______________________

EXHIBIT C

CONFIDENTIALITY AGREEMENT

In consideration of receiving information regarding the operation of R&B TEA businesses ("**Outlets**") the undersigned ("**Recipient**") agrees that:

1. Recipient will not (a) make unauthorized copies of, (b) disclose to any unauthorized person or (c) use for Recipient's benefit or an Outlet competitor's benefit any trade secrets or confidential information, knowledge or know-how about the methods of operating the Outlets ("**Confidential Information**") except only for information which Recipient can show was known by him or her before receiving such information from R&B TEA USA, LLC or information which has become a part of the public domain through publication or communication by others.

2. Recipient agrees that any breach of this Confidentiality Agreement will cause R&B Tea operators irreparable injury, and agrees that in addition to any other right or remedy provided for by law or equity, R&B Tea USA, LLC shall be entitled to specific performance of, or an injunction against violation of, this Confidentiality Agreement.

3. Recipient agrees that upon request he or she will return immediately all copies of any R&B TEA Manuals and other documents containing Confidential Information to R&B TEA USA, LLC.

IN WITNESS WHEREOF, the undersigned has executed this document as of the date set forth below.

DATED: ____________________

Print Name:________________________________

Signature: ________________________________

EXHIBIT D

PERSONAL GUARANTY

This Personal Guaranty is given to induce R&B Tea USA, LLC (the "**Franchisor**") to enter into that certain R&B TEA Area Development Agreement, dated _________, 202___ with ________________________________ ("**Area Developer**").

For good and valuable consideration, the receipt of which is hereby acknowledged, each of the undersigned (the "**Guarantors**") hereby personally guarantees, jointly and severally, the due, punctual and full payment and performance of each and all of the obligations of Area Developer, including, without limitation, all obligations arising out of the Area Development Agreement and any other agreement; including, without limitation, all R&B TEA Franchise Agreements entered into under the Area Development Agreement, and hereby individually undertakes to be bound by all of the terms of such agreements.

It is the intention of the undersigned that this Personal Guaranty shall be full and absolute. Accordingly, each of the Guarantors hereby waives and agrees not to assert or take advantage of any right or defense based on the absence of any presentment, demand (including demands for performance), notice and protest of each and every kind and of any right to require Franchisor or its assignee to proceed against Area Developer or any other person or to pursue any other remedy before proceeding against a Guarantor.

This Personal Guaranty applies to, binds and inures to the benefit of the Guarantors and their heirs, devisees, legatees, executors, administrators, representatives, successors and assigns. The Franchisor may assign its rights hereunder without reducing or modifying the liability of any Guarantor hereunder.

In connection with any litigation or arbitration to determine Guarantors liability under this Personal Guaranty, Guarantors expressly waive Guarantors' right to trial by jury, if any, and agree to pay costs and reasonable attorney's fees as fixed by the court or arbitrator.

IN WITNESS WHEREOF, each of the Guarantors has executed this Personal Guaranty on _______________ [date].

"Guarantors"

Print Name: _________________________	Print Name:__________________________
Signature: ___________________________	Signature: ___________________________
Print Name: _________________________	Print Name:__________________________
Signature: ___________________________	Signature: __________________________

Exhibit C

EXHIBIT C

CONFIDENTIALITY AGREEMENT (OPERATIONS MANUAL)

This Confidentiality Agreement dated as of ________________, 202____ by and between the undersigned ("You" and "Your") and R & B TEA USA LLC ("Franchisor"), with respect to Your request to review its Operations Manual ("Manual") prior to purchasing a franchise.

1. Franchisor agrees to allow You to review the Manual in consideration of Your execution of this Agreement.

2. You agree that the Franchisor considers the Manual to be confidential and proprietary information which may not be disclosed to other parties. Accordingly, You agree that You will not disclose its contents in whole or part to any other person without the prior written consent of the Franchisor. You will not make retain any copies or reproductions of any nature of the Manual.

3. You acknowledge that the restrictions contained in this Agreement are reasonable and necessary to protect Franchisor's legitimate interests in the Manual and that any breach by You of this Agreement will result in irreparable injury to Franchisor for which a remedy at law would be inadequate. Accordingly, You agree that Franchisor shall be entitled to temporary, preliminary and permanent injunctive relief against You, without the necessity of posting bond, in the event of any breach or threatened breach by You of this Agreement, in addition to any other remedy that may be available to Franchisor whether at law or in equity.

AGREED:

____________________________ Printed Name:__________________________

R & B TEA USA LLC

By: _______________________________
LLC Manager

Exhibit D

NAMES AND ADDRESSES OF AGENTS FOR SERVICE OF PROCESS AND STATE REGULATORY AUTHORITIES

STATE	AGENTS FOR SERVICE OF PROCESS	REGULATORY AUTHORITIES
CALIFORNIA	Teresa Mai Le 12771 Western Avenue, Unit B Garden Grove, CA 92841 (714) 656-5702	Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 (213) 576-7505 or (866) 275-2677
HAWAII	Commissioner of Securities Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Securities Compliance Branch Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722
ILLINOIS	Illinois Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Chief, Franchise Bureau Illinois Attorney General 500 South Second Street Springfield, IL 62706 (312) 814-3892
INDIANA	Secretary of State Administrative Offices 201 State House Indianapolis, IN 46204	Securities Commissioner Securities Division, Room E-111 302 West Washington Street Indianapolis, IN 46204 (317) 232-6681
MARYLAND	Maryland Securities Commissioner Securities Division 200 St. Paul Place Baltimore, MD 21202-2020	Maryland Attorney General Office of the Attorney General 200 St. Paul Place Baltimore, MD 21202 (410) 576-6360
MICHIGAN	Michigan Department of Commerce, Corporations and Securities Bureau 525 W. Ottowa 670 Law Building Lansing, MI 48913	Franchise Administrator Consumer Protection Division Antitrust and Franchise Unit Michigan Department of Attorney General 525 W. Ottowa, P.O. Box 30213 Lansing, MI 48909 (517) 373-7117

STATE	AGENTS FOR SERVICE OF PROCESS	REGULATORY AUTHORITIES
MINNESOTA	Minnesota Commissioner of Commerce 85 7th Place East, Suite 500 St. Paul, MN 55101-2198	Deputy Commissioner Minnesota Department of Commerce 85 7th Place East, Suite 500 St. Paul, MN 55101-2198 (651) 296-6328
NEW YORK	Secretary of State of the State of New York 41 State Street Albany, NY 11231	Assistant Attorney General Bureau of Investor Protection and Securities New York State Department of Law 120 Broadway, 23rd Floor New York, NY 10271 (212) 416-8211
NORTH DAKOTA	North Dakota Securities Commissioner Fifth Floor 600 East Boulevard Bismarck, ND 58505	Franchise Examiner Office of Securities Commissioner 600 East Boulevard, 5th Floor Bismarck, ND 58505 (701) 328-4712
RHODE ISLAND	Director of Rhode Island Department of Business Regulation Division of Securities 233 Richmond Street, Suite 232 Providence, RI 02903	Associate Director and Superintendent of Securities Division of Securities Bldg 69, 1st Floor, 1511 Pontiac Ave. Cranston, RI 02920 (401) 462-9527
SOUTH DAKOTA	Division of Securities South Dakota Department of Revenue and Regulation 445 E. Capitol Avenue Pierre, SD 57501	Franchise Administrator Division of Securities 445 E. Capitol Avenue Pierre, SD 57501 (605) 773-4013
VIRGINIA	Clerk of the State Corporation Commission 1300 E. Main Street Richmond, VA 23219 (804) 371-9733	Chief Examiner/Investigator State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street Richmond, VA 23219 (804) 371-9051
WASHINGTON	Director of Department of Financial Institutions Securities Division 150 Israel Road S.W. Tumwater, WA 98501	Administrator Dept. of Financial Institutions Securities Division P.O. Box 9033 Olympia, Washington 98501 (360) 902-8760

STATE	AGENTS FOR SERVICE OF PROCESS	REGULATORY AUTHORITIES
WISCONSIN	Wisconsin Commissioner of Securities 345 W. Washington Avenue, 4^{th} Floor Madison, WI 53703	Franchise Administrator Securities and Franchise Registration Wisconsin Securities Commission 345 W. Washington Avenue, 4^{th} Floor Madison, WI 53703 (608) 266-3432

Exhibit
E

STATE ADDENDA

CALIFORNIA STATE LAW ADDENDA TO R&B TEA USA FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

The following modifications are to the R&B Tea USA Franchise Disclosure Document and may supersede certain portions of the Franchise Agreement dated ____________________, 202__.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT 14 DAYS PRIOR TO EXECUTION OF AGREEMENT.

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.

None of the persons 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.

In connection with Item 17 of the Franchise Disclosure Document, the following paragraphs are included pursuant to California law:

1. 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.

2. 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.).

3. 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.

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

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

6. The Franchise Agreement requires binding arbitration. The arbitration will occur at the franchisor's home county, currently Orange County, California, with the costs borne by the non-prevailing party. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of civil Procedure Section 1281 and the Federal Arbitration Act) to ay provisions of a Franchise Agreement restricting venue to a forum outside the State of California.

7. California Corporations Code Section 31125 requires the franchisor to give the franchisee a disclosure document approved by the Department of Financial Protection & Innovation prior to a solicitation of a proposed material modification of an existing franchise.

8. The current maximum legal interest rate in California is 10%.

9. Re: Website: www.rbtea.us

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION, ANY COMPLAINTS CONCERNING THE CONTENT OF THESE WEBSITES MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION at DFPI@www.dfpi.ca.gov.

10. No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. Any statements or representations signed by a franchisee purporting to understand any fact or its legal effect shall be deemed made only based upon the franchisee's understanding of the law and facts as of the time of the franchisee's investment decision. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

Exhibit
F

CURRENT FRANCHISEES **April 2023**

CALIFORNIA			
~~R & B Tea Bolsa~~	~~Tiffani Nguyen~~	~~9547 Bolsa Ave, Suite A Westminster, CA 92683~~	~~714-673-8280~~
~~R & B Tea Carlsbad~~	~~Ashlynn Le~~	~~2525 El Camino Real, Ste 216, Carlsbad, CA 92008~~	~~949-241-3066~~
R & B Tea Corona	Cherie Tieu	420 N McKinley St, Suite 114 Corona, CA 92879	951-268-6573
R & B Tea McFadden	Thai Nguyen	10526 McFadden Ave Garden Grove, CA 92843	657-251-0801
R & B Tea Gardena	Kevin Cao	1847 W Redondo Beach Blvd Gardena, CA 90249	310-817-4779
R & B Tea Fullerton	Kevin Cao	410 East Chapman Avenue Fullerton, CA 92832	657-500-8108
R & B Tea Huntington Beach	Mark Domantay	18685 Main Street, Unit 103 Huntington Beach, CA 92648	714-594-3446
R & B Tea Downtown LA	Karissa Sharifian	908 Santee Street Los Angeles, CA 90015	213-537-0763
R & B Tea Long Beach	Vivian Ninh	5353 2nd Street, Unit C Long Beach, CA 90803	562-434-9201

R & B Monterey Park	Jimmy Chu	728 S Atlantic Blvd, Unit 107 Monterey Park, CA 91754	562-481-5554
R & B Tea Murrieta	Luan Nguyen	28210 Clinton Keith Rd Murrieta, CA 92563	951-574-9876
R & B Tea Norwalk	Linh Truong	10923 Alondra Blvd Norwalk, CA 90650	562-651-3926
R & B Tea Ontario	Joanie	4210 Inland Empire Blvd, Ste B Ontario, CA 91764	909-939-9978
R & B Tea Pasadena	Allison Shin	766 East Colorado Boulevard Ste. 103 Pasadena, CA 91101	626-345-5727
R&B Tea Pomona	Kevin Cao	660 E Arrow Hwy Pomona, CA 91767	909-978-5022
R & B Tea Rancho Cucamonga	Dat Trieu	12270 Base Line Road, Ste 159 Rancho Cucamonga, CA 91739	909-527-3113
R & B Tea Riverside	Ese Omofoma	1889 University Ave, Suite 105, Riverside, CA 92507	951-462-4142
R & B Tea Rosemead	Phuc Le	8526 Valley Blvd, Suite 110 Rosemead, CA 91770	626-597-2652
R & B Tea Rowland Heights	Linh Luong	19745 Colima Rd, Suite 11 Rowland Heights, CA 91748	909-895-7584
R & B Tea San Carlos	Diana Nguyen	8872 Navajo Road, Unit A San Diego, CA 92119	858-314-0700
R & B Tea Convoy	Phat Lu	4488 Convoy St, Suite H San Diego, CA 92111	858-602-8125
R & B Tea Chula Vista #2	Khoa Nguyen	690 University Ave San Diego, CA 92103	619-436-6388

R & B Tea Valley Fair	Dat Trieu	2855 Stevens Creek Blvd FC-21, Suite 2456, Santa Clara, CA 95050	408-202-5202
R & B Tea Victorville	Yvonne Tran	14130 Bear Valley Rd, Ste 202 Victorville, CA 92392	714-3643-3888
R & B Tea Walnut	Kevin Cao	1251 N Grand Ave, Walnut, CA 91789	909-978-5022

TEXAS			
R & B Tea Addison	Vicky Pham Lu	5100 Belt Line Rd, Suite 748 Addison, TX 75254	469-778-0008
R & B Tea Carrollton	Tiffany Bui	1017 E Trinity Mills Rd, Ste 100 Carollton, TX 75007	469-829-2261
R & B Tea Garland	Dr Kha Do	4750 N Jupiter Road, Suite 117 Garland, TX 75044	469-367-4220
R & B Tea Chinatown	Dr Charlie Huynh	9938 Bellaire Blvd, Suite J Houston, TX 77036	281-407-0946
R & B Tea Forth Worth, TX	Teri Lien	301E. Debbie Ln Suite 110 Mansfield, TX 76063	817-891-1442
R & B Tea Pearland	Tony Tran	3422 Business Center Dr, Suite 142, Pearland, TX 77584	281-741-8710
R & B Tea Sugarland	Tony Tran	3607 Hwy 6 Sugarland, TX 77478	281-741-8710

NOT YET OPENED.			
R & B Tea La Mirada	Yen Le	12740-12764 La Mirada Blvd La Mirada, CA 90638	469-778-0008
R & B Tea San Ramon	Hau Minh Phan	547 Contada Circle Danville, CA 94526	925-808-9685
R & B Tea Amarillo, TX	Long Tran	5641 E Amarillo Blvd #100 Amarillo, Texas 79107	806-683-5854
R & B Tea Bellaire #2, TX	Dr Charlie Huynh	12934 Bellaire Blvd Houston, TX 77072	832-420-7000
R & B Tea Chandler, AZ	Isabel Adame & Jesus Garcia	2081 N Arizona Ave, Ste #125 Chandler, AZ 85225	909-319-8533
R & B Tea Warren, MI	Thao Nguyen	29200 Dequindre Rd Warren, MI	248-909-0700
R&B Tea Orange Circle	Vivian Ninh	212-214 East Chapman. Orange, CA 92866	562-434-9201

Former Franchisees		
R & B Tea Carlsbad	Ashlynn Le	949-241-3066
R & B Tea Bolsa	Tiffani Nguyen	714-673-8280

Exhibit G

Financial Statement

R & B Tea USA, LLC

December 31, 2022 and 2021

Haynie & Company
(a professional corporation)

Certified Public Accountants and Management Consultants
4910 Campus Drive Newport Beach, California 92660-2119 (949) 724-1880 FAX (949) 724-1889

INDEPENDENT AUDITOR'S REPORT

To the Members and Management
R & B Tea USA, LLC
Santa Ana, California

Opinion

We have audited the accompanying financial statements of R & B Tea USA, LLC (the "Company") a limited liability company, which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of operations and members equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, 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 audit 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 audit.

Haynie & Company

April 25, 2023
Newport Beach, California

R & B TEA USA, LLC
Balance Sheets
December 31, 2022 and 2021

ASSETS	2022	2021
Current assets:		
Cash and cash equivalents	$ 64,453	$ 55,016
Accounts receivable, net of allowance for doubtful accounts of $0 and $0, respectively	1,765	-
Due from affiliate	177,680	-
Total assets	$ 243,898	$ 55,016
LIABILITIES AND MEMBERS' CAPITAL		
Current liabilities:		
Accounts payable	$ -	$ 7,000
Accrued payroll expenses	10,990	-
Income taxes payable	-	800
Deferred revenues, current portion	13,000	-
Due to affiliate	136,316	-
Total current liabilities	160,306	7,800
Deferred revenue, net of current portion	52,000	-
Total liabilities	212,306	7,800
Members' capital	31,592	47,216
Total liabilities and members' capital	$ 243,898	$ 55,016

See notes to financial statement.

R & B TEA USA, LLC
Statements of Operations and Members' Equity
For the Years Ended December 31, 2022 and 2021

	2022	2021
Revenues:		
Franchise royalties	$ 124,445	$ -
Operating expenses:		
Bank fees	15	-
Legal and professional fees	2,200	24,080
Business license and permits	-	967
Commission fees	10,000	-
Payroll wages	10,990	-
Total operating expense	23,205	25,047
Operating income (loss)	101,240	(25,047)
Other income (expense):		
Other income	71	-
Penalties and interest	(135)	-
Total other income (expense)	(64)	-
Loss before provision for income taxes	101,176	(25,047)
Provision for income taxes	(800)	(800)
Net income (loss)	100,376	(25,847)
Members' equity, beginning of year	47,216	55,000
Capital contributions	-	18,063
Capital distributions	(116,000)	-
Members' equity, end of year	$ 31,592	$ 47,216

See notes to financial statement.

R & B TEA USA, LLC
Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Net income (loss)	$ 100,376	$ (25,847)
Items not requiring cash:		
(Increase) decrease in assets:		
Accounts receivable	(1,765)	-
Due from affiliate	(177,680)	-
Increase (decrease) in liabilities:		
Accounts payable	(7,000)	7,000
Accrued payroll expenses	10,990	-
Income taxes payable	(800)	800
Deferred revenue	65,000	-
Due to affiliate	136,316	-
Cash from operating activities	125,437	(18,047)
Cash flows from investing activities:	-	-
Cash from investing activities	-	-
Cash flows from financing activities:		
Capital contribution	-	18,063
Capital distributions	(116,000)	-
Cash from financing activities	(116,000)	18,063
Change in cash	9,437	16
Cash, beginning of year	55,016	55,000
Cash, end of year	$ 64,453	$ 55,016

See notes to financial statement.

R & B TEA USA, LLC
Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

	2022	2021
Supplemental disclosure of cash flow information:		
Cash paid during the year for:		
Interest	$ -	$ -
Income taxes	$ 800	$ 800

See notes to financial statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and nature of business

R & B Tea USA, LLC ("The Company") was organized in October of 2021 in the State of California to offer franchises for the operation of stores offering specialty teas and beverages.

In 2006, the founder opened the first shop in Suzhou, China and it gained popularity quickly, becoming a favorite spot for locals. R & B Tea takes pride in sourcing high-quality ingredients from around the world: such as premium tea leaves from Taiwan, matcha from Japan, and creamer from Australia. Each drink is carefully crafted with excellence and always from fresh fruit, never any artificial syrups. Now R&B Tea has more than 800 stores globally in Taiwan, Singapore, Australia, Vietnam, China, and the USA.

Basis of accounting

The accompanying financial statements have been prepared using the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America.

Use of estimates

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

Income taxes

The Company is a limited liability company and, as such, the tax attributes pass through to the individual members who report the income or loss on their respective income tax returns. The Company pays state tax minimum fees and is subject to state jurisdiction examinations for all tax years.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

The Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The Company, from time to time, maintains cash balances that exceed the Federal Deposit Insurance Corporation limits. Amounts in excess of these limits as of December 31, 2022 and 2021 were $0.

Accounts receivable

Accounts receivable represents an amount due from a franchisee in connection with franchise royalties. The carrying amounts of accounts receivable approximates fair value. The Company's determination of the allowance for doubtful accounts receivable (if any) includes a number of factors, including the age of the balance and past experience with the franchisee. As of December 31, 2022 and 2021, allowance for doubtful accounts totaled $0 and $0, respectively.

Revenue recognition and deferred revenue

The Company adopted Accounting Standard Codification 606 ("ASC 606") as of December 31, 2020.

ASC 606, as amended, is based on the principle that revenue is recognized to depict the contractual transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services utilizing a new five-step revenue recognition model, which steps include (1) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation.

The Company's revenues will consist of (1) initial franchise fees charged to franchisees in exchange for the right to own and operate franchises within a certain territory, and (2) monthly royalties.

The new revenue guidance in ASC 606 did not impact the timing of revenue recognition of royalty revenues, which are recognized monthly as a percentage of revenue collected by the franchises.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition and deferred revenue (continued)

The Company will recognize franchise fee revenue on a straight-line basis over the life of the related franchise agreements and any exercised renewal periods. Cash payments are typically due upon the obtainment of a territory or upon the execution of a renewal of the related franchise agreement. The Company's performance obligation with respect to franchise fee revenues consists of a license to utilize the Company's brand for a specified period of time, which is satisfied equally over the life of each franchise agreement.

Deferred revenue resulting from cash collected for initial franchise fees paid by franchisees are classified as liabilities in the balance sheets based on the expected timing of revenue recognition associated with these liabilities. The following table reflects the changes in deferred revenue:

Deferred revenue, December 31, 2021	$ -
Cash collected for initial franchise payments	65,000
Revenue recognized	-
Deferred revenue, December 31, 2022	$ 65,000

The following table illustrates estimated revenues expected to be recognized in the future related to unsatisfied performance obligations as of December 31, 2022:

	Contract Revenue
Year ended December 31:	
2023	$ 13,000
2024	13,000
2025	13,000
2026	13,000
2027	13,000
	$ 65,000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition and deferred revenue (continued)

The following table illustrates revenues recognized according to timing of the transfer of goods or services from the adoption of ASC 606 as of December 31:

	2022	2021
Revenue recognized at a point in time	$ 124,445	$ -
Revenue recognized over time	-	-
Total revenue recognized	$ 124,445	$ -

Fair value of financial instruments

The carrying value of cash and cash equivalents approximates the current value due to the short-term nature of these instruments.

Property and equipment

Significant additions and betterments are capitalized. Expenditures for maintenance, repairs and minor renewals are charged to expense as incurred.

Property and equipment are stated at cost. Depreciation and amortization are calculated on the straight-line method over the estimated useful lives of such assets.

Long-lived assets

Management reviews long-lived assets for impairment when circumstances indicate the carrying amount of an asset may not be recoverable based on the undiscounted future cash flows of the asset. If the carrying amount of an asset may not be recoverable, a write-down to fair value is recorded. Fair values are determined based on the discounted cash flows, quoted market values, or external appraisals, as applicable. Long-lived assets are reviewed for impairment at the individual asset or the asset group level for which the lowest level of independent cash flows can be identified. Management has evaluated the long-lived assets and has not identified any impairment as of December 31, 2022.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

The Company adopted Financial Accounting Standards Board ASC 842, Leases. The Company also implemented the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed it to carry forward the historical lease classification (if applicable).

The new standard establishes a right of use (ROU) model that requires a lessee to record an ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. Leases with a term of less than 12 months will not record a right of use asset and lease liability and the payments will be recognized into profit or loss on a straight-line basis over the lease term. When a lease includes renewal options which can extend the lease term, only those options that are reasonably expected to be exercised and that the Company can exercise at its sole discretion are included in the measurement of lease assets and liabilities.

The adoption of the new lease standard did not result in any recognition of right-of-use-assets and lease incentives or operating lease liabilities as of December 31, 2022.

Advertising

The Company expenses advertising costs as they are incurred. Advertising expenses for the periods ending December 31, 2022 and 2021 were zero.

Reclassifications

Certain disclosure amounts for 2021 have been reclassified to conform with current period presentation.

Subsequent event disclosures

The Company has evaluated subsequent events through April 25, 2023, the date which the financial statement was available.

2. FRANCHISING

Certain locations entered into license agreements prior to the Company being registered with the state (5 prior to 2021 and 8 during 2021). During the year ended December 31, 2022, the Company notified these locations (in accordance with directives by the state) and these locations were eventually assigned to the Company. The historical number of franchised and company-owned locations which are reflective of the assigned locations, are as follows:

	2022	2021
Franchised locations:		
Operating at the beginning of the year	13	5
Opened during the year	14	8
Assigned to the Company Closed during the year	(2)	-
Operating at the end of the year	25	13
Company-owned:		
Operating at the beginning of the year	5	2
Opened during the year	-	-
Closed during the year	-	3
Operating at the end of the year	5	5

3. LICENSING AGREEMENT

In August of 2021, the Company entered into a Trademark License Agreement with a third party. Based on the terms of the agreement, the Company is granted the right to use the License Trademark and manufacture and sell the Licensed Products in Licensed Territory and other rights and terms as outlined in the agreement. The License Agreement is set to expire in 2026, five years from the date of the agreement. The License Agreement also includes requirements of payment of certain store opening fees and royalties as outlined in the agreement. As of December 31, 2022, the Company has not been required by the Licensor to pay these fees.

4. PROVISION FOR INCOME TAXES

The provision for income taxes consisted of the California minimum franchise tax of $800.

5. CONCENTRATION OF CREDIT RISK

The financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash deposits and trade accounts receivables. Management does not believe there is exposure to credit risk with these financial instruments as of December 31, 2022.

6. DEFERRED REVENUE

As of December 31, 2022 and 2021, deferred revenue totaled $65,000 and $0, respectively.

7. DUE FROM AFFILIATE

During the 2022 year, the Company assumed certain license agreements of various store locations from a certain related party which included assuming the related franchise royalty fees that were paid to that related entity during the 2022 year. Of the total royalty fees collected by the related entity, approximately $178,000 was due to the Company as of December 31, 2022 and, as such, the Company recorded a receivable from this related party.

8. DUE TO AFFILIATE

During the 2022 year, the Company received funds from various franchise store locations for the purchase of product on behalf of a certain related party entity. Of the total of funds collected by the Company, approximately $136,000 was due to the related party entity as of December 31, 2022 and, as such, the Company has recorded a payable to this related party.

9. RELATED PARTY TRANSACTIONS

As discussed in Note 7 above, the Company has recorded a receivable from a certain related party entity as of December 31, 2022.

As discussed in Note 8 above, the Company has recorded a payable to a certain related party entity as of December 31, 2022.

10. CONCENTRATIONS

The majority of the Company's revenue included royalty income received from operating store locations.

11. CONTINGENCIES

COVID-19

On March 19, 2020, in connection with the World Health Organization declaration of the outbreak of COVID-19 as a pandemic and public health emergency, the Governor of the State of California issued an order for all residents in the state to stay home or at their place of residence except as needed to maintain continuity of operations of the federal critical infrastructure. The rapid development and fluidity of this situation presents uncertainty and precludes any prediction as to any ultimate material adverse impact to the Company. Nevertheless, the uncertainty presents risks with respect to the Company, its performance, and its financial results.

12. SUBSEQUENT EVENTS

In 2023, five franchised locations opened for operation.

In April of 2023, the Company received payment from an affiliate of approximately $178,000 for royalties and franchise fees receivable as discussed in note 7.

In April of 2023, the Company paid the affiliate approximately $136,000 for receipt of product sales as discussed in note 8.

Financial Statement

R & B Tea USA, LLC

December 31, 2021

Haynie & Company
(a professional corporation)

Certified Public Accountants and Management Consultants
4910 Campus Drive Newport Beach, California 92660-2119 (949) 724-1880 FAX (949) 724-1889

INDEPENDENT AUDITOR'S REPORT

To the Members and Management
R & B Tea USA, LLC
Garden Grove, California

Opinion

We have audited the accompanying financial statements of R & B Tea USA, LLC (the "Company") a limited liability company, which comprise the balance sheet as of December 31, 2021, and the related statements of operations and members equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 audit.

Haynie & Company

April 5, 2022
Newport Beach, California

R & B TEA USA, LLC
Balance Sheet
December 31, 2021

ASSETS

Current assets:	
Cash and cash equivalents	$ 55,016
Total assets	$ 55,016

LIABILITIES AND MEMBERS' CAPITAL

Current liabilities:	
Accounts payable	$ 7,000
Income taxes payable	800
Total liabilites	7,800
Members' capital	47,216
Total liabilities and members' capital	$ 55,016

See notes to financial statement.

R & B TEA USA, LLC
Statement of Operations and Members' Equity
For the Year Ended December 31, 2021

Revenues:	$ -
Operating expenses:	
Legal and professional fees	24,080
Business license and permits	967
Total operating expense	25,047
Operating (loss)	(25,047)
Loss before provision for income taxes	(25,047)
Provision for income taxes	(800)
Net loss	(25,847)
Members' equity, beginning of year	55,000
Capital contributions	18,063
Members' equity, end of year	$ 47,216

See notes to financial statement.

R & B TEA USA, LLC
Statement of Cash Flows
For the Year Ended December 31, 2021

Cash flows from operating activities:		
Net loss	$	(25,847)
Items not requiring cash:		
Increase (decrease) in liabilities:		
Accounts payable		7,000
Income taxes payable		800
Cash from operating activities		(18,047)
Cash flows from investing activities:		-
Cash from investing activities		-
Cash flows from financing activities:		
Capital contribution		18,063
Cash from financing activities		18,063
Change in cash		16
Cash, beginning of year		55,000
Cash, end of year	$	55,016
Supplemental disclosure of cash flow information:		
Cash paid during the year for:		
Interest	$	-
Income taxes	$	800

See notes to financial statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and nature of business

R & B Tea USA, LLC ("The Company") was organized in October of 2021 in the State of California to offer franchises for the operation of stores offering specialty teas and beverages.

In 2006, the founder opened the first shop in Suzhou, China and it gained popularity quickly, becoming a favorite spot for locals. R & B Tea takes pride in sourcing high-quality ingredients from around the world: such as premium tea leaves from Taiwan, matcha from Japan, and creamer from Australia. Each drink is carefully crafted with excellence and always from fresh fruit, never any artificial syrups. Now R&B Tea has more than 800 stores globally in Taiwan, Singapore, Australia, Vietnam, China, and the USA.

Currently, the Company has not yet begun selling franchise locations. However, once the Company's planned operations commence, they will be focused on sales and development of these franchise locations.

Use of estimates

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

Income taxes

The Company is a limited liability company and, as such, the tax attributes pass through to the individual members who report the income or loss on their respective income tax returns. The Company pays state tax minimum fees and is subject to state jurisdiction examinations for all tax years.

Cash and cash equivalents

The Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The Company, from time to time, maintains cash balances that exceed the Federal Deposit Insurance Corporation limits. Amounts in excess of these limits as of December 31, 2021 were $0.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-lived assets

Management reviews long-lived assets for impairment when circumstances indicate the carrying amount of an asset may not be recoverable based on the undiscounted future cash flows of the asset. If the carrying amount of an asset may not be recoverable, a write-down to fair value is recorded. Fair values are determined based on the discounted cash flows, quoted market values, or external appraisals, as applicable. Long-lived assets are reviewed for impairment at the individual asset or the asset group level for which the lowest level of independent cash flows can be identified. Management has evaluated the long-lived assets and has not identified any impairment as of December 31, 2021.

Revenue recognition

The Company adopted Accounting Standard Codification 606 ("ASC 606") as of December 31, 2020.

ASC 606, as amended, is based on the principle that revenue is recognized to depict the contractual transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services utilizing a new five-step revenue recognition model, which steps include (1) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation.

The Company's revenues will consist of (1) initial franchise fees charged to franchisees in exchange for the right to own and operate franchises within a certain territory, and (2) monthly royalties.

The new revenue guidance in ASC 606 did not impact the timing of revenue recognition of royalty revenues, which are recognized monthly as a percentage of revenue collected by the franchises.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

The Company will recognize franchise fee revenue on a straight-line basis over the life of the related franchise agreements and any exercised renewal periods. Cash payments are typically due upon the obtainment of a territory or upon the execution of a renewal of the related franchise agreement. The Company's performance obligation with respect to franchise fee revenues consists of a license to utilize the Company's brand for a specified period of time, which is satisfied equally over the life of each franchise agreement.

Fair value of financial instruments

The carrying value of cash and cash equivalents approximates the current value due to the short-term nature of these instruments.

Subsequent event disclosures

The Company has evaluated subsequent events through April 5, 2022, the date which the financial statement was available.

2. PROVISION FOR INCOME TAXES

The provision for income taxes consisted of the California minimum franchise tax of $800.

3. CONTINGENCIES

COVID-19

On March 19, 2020, in connection with the World Health Organization declaration of the outbreak of COVID-19 as a pandemic and public health emergency, the Governor of the State of California issued an order for all residents in the state to stay home or at their place of residence except as needed to maintain continuity of operations of the federal critical infrastructure. The rapid development and fluidity of this situation presents uncertainty and precludes any prediction as to any ultimate material adverse impact to the Company. Nevertheless, the uncertainty presents risks with respect to the Company, its performance, and its financial results.

4. SUBSEQUENT EVENTS

In January of 2022, the owners of the Company withdrew $50,000 from the Company and returned it to the Company in February of 2022. In March of 2022, a contribution of $25,000 was made to the Company by the owners.

Financial Statement

R & B Tea USA, LLC

December 31, 2020

Haynie & Company
(a professional corporation)

Certified Public Accountants and Management Consultants
4910 Campus Drive Newport Beach, California 92660-2119 (949) 724-1880 FAX (949) 724-1889

INDEPENDENT AUDITOR'S REPORT

To the Members and Management
R & B TEA USA, LLC
Garden Grove, California

We have audited the accompanying balance sheet as of December 31, 2020 of R & B Tea USA, LLC and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the balance sheet that are free from misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the balance sheet referred to above presents fairly, in all material respects, the financial position of R & B Tea USA, LLC, as of December 31, 2020, in accordance with accounting principles generally accepted in the United States of America.

Haynie & Company

January 27, 2021
Newport Beach, California

R & B TEA USA, LLC
Balance Sheet
December 31, 2020

ASSETS	
Current assets:	
Cash and cash equivalents	$ 55,000
Total current assets	55,000
Total assets	$ 55,000
LIABILITIES AND MEMBERS' CAPITAL	
Current liabilities	$ -
Total current liabilities	-
Members' capital	55,000
Total members' capital	55,000
Total liabilities and members' capital	$ 55,000

See notes to financial statement.

R & B TEA USA, LLC
Notes to Financial Statement

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and nature of business

R & B Tea USA, LLC ("The Company") was organized in October of 2020 in the State of California to offer franchises for the operation of stores offering specialty teas and beverages.

In 2006, the founder opened the first shop in Suzhou, China and it gained popularity quickly, becoming a favorite spot for locals. R & B Tea takes pride in sourcing high-quality ingredients from around the world: such as premium tea leaves from Taiwan, matcha from Japan, and creamer from Australia. Each drink is carefully crafted with excellence and always from fresh fruit, never any artificial syrups. Now R&B Tea has more than 800 stores globally in Taiwan, Singapore, Australia, Vietnam, China, and the USA.

Currently, the Company has not yet begun selling franchise locations. However, once the Company's planned operations commence, they will be focused on sales and development of these franchise locations.

Use of estimates

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

Income taxes

The Company is a limited liability company and, as such, the tax attributes pass through to the individual members who report the income or loss on their respective income tax returns and all years are subject to income tax examinations

Cash and cash equivalents

The Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The Company, from time to time, maintains cash balances that exceed the Federal Deposit Insurance Corporation limits. Amounts in excess of these limits as of December 31, 2020 were $0.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-lived assets

Management reviews long-lived assets for impairment when circumstances indicate the carrying amount of an asset may not be recoverable based on the undiscounted future cash flows of the asset. If the carrying amount of an asset may not be recoverable, a write-down to fair value is recorded. Fair values are determined based on the discounted cash flows, quoted market values, or external appraisals, as applicable. Long-lived assets are reviewed for impairment at the individual asset or the asset group level for which the lowest level of independent cash flows can be identified. Management has evaluated the long-lived assets and has not identified any impairment as of December 31, 2020.

Revenue recognition

The Company adopted Accounting Standard Codification 606 ("ASC 606") as of December 31, 2020.

ASC 606, as amended, is based on the principle that revenue is recognized to depict the contractual transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services utilizing a new five-step revenue recognition model, which steps include (1) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation.

The Company's revenues will consist of (1) initial franchise fees charged to franchisees in exchange for the right to own and operate franchises within a certain territory, and (2) monthly royalties.

The new revenue guidance in ASC 606 did not impact the timing of revenue recognition of royalty revenues, which are recognized monthly as a percentage of revenue collected by the franchises.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

The Company will recognize franchise fee revenue on a straight-line basis over the life of the related franchise agreements and any exercised renewal periods. Cash payments are typically due upon the obtainment of a territory or upon the execution of a renewal of the related franchise agreement. The Company's performance obligation with respect to franchise fee revenues consists of a license to utilize the Company's brand for a specified period of time, which is satisfied equally over the life of each franchise agreement.

Fair value of financial instruments

The carrying value of cash and cash equivalents approximates the current value due to the short-term nature of these instruments.

Subsequent event disclosures

The Company has evaluated subsequent events through January 27, 2021, the date which the financial statement was available.

2. CONTINGENCIES

COVID-19

On March 19, 2020, in connection with the World Health Organization declaration of the outbreak of COVID-19 as a pandemic and public health emergency, the Governor of the State of California issued an order for all residents in the state to stay home or at their place of residence except as needed to maintain continuity of operations of the federal critical infrastructure. The rapid development and fluidity of this situation presents uncertainty and precludes any prediction as to any ultimate material adverse impact to the Company. Nevertheless, the uncertainty presents risks with respect to the Company, its performance, and its financial results.

State Effective Dates

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

This 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	____________, 2023
Michigan	____________, 2023

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.

Exhibit H

RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully. The franchisor is R&B Tea USA LLC, located at 12771 Western Ave, Unit B, Garden Grove, CA 92841; (714) 656-5702.

If we offer you a franchise, we must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York and Rhode Island require that we provide this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Iowa requires that we provide this Disclosure Document at the earlier of the first personal meeting or 14 calendar-days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we provide this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If we do 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 appropriate state agency listed in Exhibit D.

The franchise seller for this offering is Teresa Le, 12771 Western Ave, Unit B, Garden Grove, CA 92841; (714) 656 5702. Any additional individual franchise sellers involved in offering the franchise are:

____

____

The registered agents authorized to receive service of process are listed in Exhibit D.

Effective Date: April 25, 2023

I received a disclosure document dated April 25, 2023 that included the following Exhibits:

A. Franchise Agreement and Related Materials
B. Area Development Agreement
C. Confidentially Agreement
D. State Agents and State Administrators
E. State Addenda
F. Current List of Franchisees
G. Financial Statements
H. Receipts

Date Franchise Disclosure Document Received: ________________

Signed: ____

Print Name: ______________________________________

FRANCHISEE'S COPY

RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully. The franchisor is R&B Tea USA LLC, located at 12771 Western Ave, Unit B, Garden Grove, CA 92841; (714) 656-5702.

If we offer you a franchise, we must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York and Rhode Island require that we provide this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Iowa requires that we provide this Disclosure Document at the earlier of the first personal meeting or 14 calendar-days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we provide this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If we do 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 appropriate state agency listed in Exhibit D.

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D. State Agents and State Administrators
E. State Addenda
F. Current List of Franchisees
G. Financial Statements
H. Receipts

Date Franchise Disclosure Document Received: ________________

Signed: ____

Print Name: _____________________________________

FRANCHISOR'S COPY