FRANCHISE DISCLOSURE DOCUMENT

Tin Drum Asiacafé, LLC
(a Georgia limited liability company)
1299 Battle Creek Road, Unit 110
Jonesboro, Georgia 30236
(404) 518-1799 phone
www.tindrumasiankitchen.com
www.facebook.com/tindrumasiankitchen

We offer franchises for the establishment and operation of a Tin Drum Asian Kitchen® restaurant offering high quality Pan-Asian cuisine and specialty beverages such as milk tea, fruit tea, and slushies using proprietary recipes and incorporating Thai, Japanese, Chinese and Vietnamese elements. We offer Tin Drum Asian Kitchen® single unit franchised businesses under a Franchise Agreement, or the right to open multiple units under a Multi-Unit Addendum to the Franchise Agreement or a Development Agreement. Multi-unit franchisees and developers sign Franchise Agreements for each Tin Drum Asian Kitchen franchise.

The total investment necessary to begin operation of a single franchise ranges from $400,800 to $617,250. This includes $54,000 that must be paid to franchisor or its affiliates. If you purchase a Multi-Franchise Package for two units under the Multi-Franchise Addendum, the total investment would be between $777,600 and $1,210,500. This includes $84,000 that must be paid to franchisor or its affiliates. If you purchase a Multi-Franchise Package for three units under the Multi-Franchise Addendum, the total investment would be between $1,144,400 and $1,793,750. This includes $104,000 that must be paid to franchisor or its affiliates. If you purchase development rights for four units under a Development Agreement, the total investment would be between $1,511,200 and $2,377,000. This includes $124,000 that must be paid to franchisor or its affiliates. If you purchase development rights for five units under a Development Agreement, the total investment would be between $1,868,000 and $2,950,250. This includes $134,000 that must be paid to franchisor or its affiliates.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Steven Chan, President at 1299 Battle Creek Road, Unit 110, Jonesboro, Georgia 30236 or (404) 518-1799. The terms of your contract will govern your franchise relationship. Don't rely on the Disclosure Document alone to understand your contract. Read all of your contract carefully. Show your contract and this Disclosure Document to an advisor, like a lawyer or accountant.

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

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

Date of Issuance: July 29, 2021.

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Exhibit I.
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?	Exhibit J 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 Tin Drum Asian Kitchen 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 Tin Drum Asian Kitchen franchisee?	Exhibit I lists current and former franchisees. You can contact them to ask about their experiences.

What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this Disclosure Document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

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 mediation, arbitration and/or litigation only in Georgia. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Georgia than in your own state.

2. **<u>Spousal Guaranty</u>**. Your spouse may sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

3. **<u>Financial Condition</u>**. The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda and Riders" to see whether your state requires other risks to be highlighted.

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:

1. A prohibition on the right of a franchisee to join an association of franchisees.

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

3. A provision that permits a franchisor to terminate a franchise before the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

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

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

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

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

   (a) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

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

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

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

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000.00, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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:

Michigan Department of Attorney General
G. Mennen Williams Building, 1st Floor 525 W. Ottawa St.
P.O. Box 30212
Lansing, MI 48909
(517) 373-7117

TABLE OF CONTENTS

EXHIBITS:

APPLICABLE STATE LAW MAY REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT. THESE ADDITIONAL DISCLOSURES, IF ANY, APPEAR IN EXHIBIT H.

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

To simplify the language in this Disclosure Document, **"Tin Drum Asiacafé"** or **"we"** or **"us"** or **"our"** means Tin Drum Asiacafé, LLC, the franchisor. **"You"** or **"your"** means the person who is awarded the franchise rights. If you are a corporation, partnership, limited liability company or other legal entity, certain provisions of the Franchise Agreement and related agreements will apply to your shareholders, partners, members, and owners, as applicable. Those provisions will be noted where applicable.

The Franchisor

We are a Georgia limited liability company organized on January 1, 2011. Our principal place of business is 1299 Battle Creek Road, Unit 110, Jonesboro, Georgia 30236, and our telephone number is (404) 518-1799. We do business under our legal name and under the trade names TIN DRUM®, TIN DRUM ASIACAFÉ® and TIN DRUM ASIAN KITCHEN®. Prior to 2016, all Tin Drum franchises operated under the trade name, Tin Drum Asiacafe. Currently, some franchises are operating under the tradename, Tin Drum Asian Kitchen, and some are operating under Tin Drum Asiacafé. It is anticipated that those operating as Tin Drum Asiacafé will change their names in the future. Your Tin Drum franchise will operate under the trade name Tin Drum Asian Kitchen. For the purposes of this Disclosure Document all Tin Drum franchises will be referenced to as Tin Drum Asian Kitchens.

If we have agents in your state for service of process, they are disclosed in **Exhibit A** to this Disclosure Document.

We have offered Tin Drum Asian Kitchen franchises (each, a **"Restaurant"**) since 2011. We have never offered franchises in any other line of business. We do not engage in any business other than the offer and sale of Restaurants.

Parents, Predecessors and Affiliates

Our predecessor is Tin Drum, Inc., a Georgia corporation (**"TDI"**). TDI was formed on June 11, 2003, and was dissolved on September 15, 2015. In October 2003, TDI opened the first Tin Drum Asiacafé restaurant in Atlanta, Georgia. During the period from 2004 through 2010, TDI entered into license agreements with third parties granting them the right to operate Restaurants. Certain of these licensees now operate Restaurants under Franchise Agreements with us. Except as described in this paragraph, TDI did not engage in any other business activities, and has never offered franchises in any line of business.

Our immediate parent is Tin Drum Holding Company, Inc. (**"Tin Drum Holding"**), and its principal business address is 1299 Battle Creek Road, Unit 110, Jonesboro, Georgia 30236. Tin Drum Holding is owned by (i) Steven Chan, our founder, and his affiliated entities; (ii) PITD, LLC, a Georgia limited liability company; and (iii) AP Square Investments, LLC.

Except as described above, we have no affiliates that offer franchises in any line of business or provide products or services to our franchisees.

The Franchise

We grant franchises to qualified franchisees to operate Restaurants offering high quality Pan-Asian cuisine and specialty beverages such as milk tea, fruit tea, and slushies using proprietary recipes and incorporating Thai, Japanese, Chinese and Vietnamese elements.

The Restaurants will operate under the trade names and service marks Tin Drum and Tin Drum Asian Kitchen, and will use other trade names, service marks, trademarks, logos, emblems and indicia of origin that we designate for use by the Restaurants (the **"Marks"**). We use and license others to use the Marks and our proprietary operating system, which includes trade secret recipes (the **"System"**), developed for the operation of Restaurants.

A Restaurant is a better-for-you, fast casual restaurant business offering freshly prepared food served in a fun, friendly environment. We offer lunch and dinner. Our customers enjoy artfully created Asian dishes that are delicious, healthy and have wide appeal. Our products are made with quality ingredients, and bold, flavorful sauces.

All of our Restaurants offer a wide selection of beverages and some also serve alcohol, but we do not require our franchisees to sell alcoholic beverages. Our primary customers are consumers seeking better-for-you offerings in every age group, both female and male.

We have recently developed a new standard Restaurant prototype that is larger than the prior prototype for Restaurants, has a different store layout and design and includes a retail component offering books, branded clothing and Asian food items (the **"New Prototype"**). We have also recently developed a new menu that consists of reformulated items from our former menu and a significant number of new menu items (the **"New Menu"**). The New Prototype was launched by our affiliate, which is owned and operated by our Chief Operating Officer and Chief Marketing Officer, in January 2019 in Decatur, Georgia. In 2021, a new line of specialty beverages such as milk tea, fruit tea, and slushies (the **"Specialty Beverages"**) was introduced. All units opened under this Disclosure Document will utilize the New Prototype and the New Menu, and will offer Specialty Beverages.

We offer three different franchise packages depending on the number of Restaurants you wish to purchase.

- The **"Single Franchise Package"** consists of the purchase of the right to open and operate a single Restaurant.

- The **"Multi-Franchise Package"** consists of the purchase of rights to develop two or three Restaurants. Under the Multiple Franchise Package, for the first Restaurant, you will receive an area within which to locate your Restaurant, but you will not receive a development area within which to locate the additional Restaurants. The additional restaurants to be opened under the Multiple Franchise Package must be open within five years of signing the first Franchise Agreement and Multi-Franchise Addendum.

- The **"Franchise Area Developer Package"** consists of the purchase of the right to develop four or more Restaurants within a protected geographic area according to a development schedule. Under the Development Agreement, you are required to open a specified number of Restaurants according to a schedule that is mutually agreed upon at signing in order to maintain your development rights.

Upon establishing each additional outlet under the Multi-Franchise Package or Franchise Area Developer Package, you may be required to sign our then-current Franchise Agreement, which may differ from the current Franchise Agreement included with this Franchise Disclosure Document.

See **Items 5** and **12** for more information regarding initial franchise fees and territorial protections associated with each package.

Market and Competition

The Asian restaurant business is both highly developed and competitive. You will have to compete with other businesses offering Asian food, including national and local restaurants. Many of our competitors are well-established national, regional or local chains which may have substantial financial, marketing, or other resources. You may also encounter competition from other Restaurants operated by us or other franchisees.

We believe that strong brand recognition, attractive price-value relationship, and the quality of our products and our service enable us to differentiate ourselves from our competitors.

Regulations Specific to the Industry

You should consider that certain aspects of the restaurant business are heavily regulated by federal, state and local laws, rules and ordinances. The U.S. Food and Drug Administration, the U.S. Department of Agriculture, and various state and local health departments administer and enforce laws and regulations that govern food preparation and service, and sanitary conditions. State and local agencies inspect restaurants for compliance with these requirements. Certain provisions of these laws impose limits on emissions resulting from commercial food preparation. Some states have also adopted or are considering proposals to regulate indoor air quality.

State alcoholic beverage regulatory authorities administer and enforce laws and regulations that govern the sale of alcoholic beverages. As a franchisee, if you choose to sell alcohol at your Restaurant, you will need to obtain a liquor license. State and local laws, regulations and ordinances vary significantly in the procedures, difficulty and cost associated with obtaining a license, the restrictions placed on the manner in which liquor may be sold, and the potential liability imposed by dram shop laws addressing injuries directly and indirectly related to the sale of liquor and its consumption. All franchisees who sell alcohol will need to understand and comply with those laws in operating their Restaurants.

You will also have to comply with laws and regulations of the U.S. Food and Drug Administration and Federal Trade Commission that relate to the presentation of nutritional information. Some states and local governments may require you to comply with laws relating to the labeling that is included on your menus, menu boards, and related materials. Some state and local authorities have also adopted, or are considering adopting, laws or regulations that would affect the content or make-up of food served in restaurants, such as the level of transfat contained in a food item.

Since you must accept credit cards as a method of payment at your Restaurant, you must also comply with payment card industry (**"PCI"**) compliance standards to protect personal information and ensure security when customer transactions are processed using a credit card. PCI compliance standards apply to all organizations that store, process, or transmit cardholder data, and cover technical and operational payment system components involving cardholder data.

You must also comply with laws and regulations that apply to businesses generally (such as workers' compensation, Occupational Safety and Health Act (OSHA), Americans with Disabilities Act (ADA) requirements and Patient Protection and Affordable Care Act).

There may be other laws applicable to your Restaurant. It is your responsibility to investigate any applicable laws as they relate to operating a Restaurant. You should consider these laws and regulations when evaluating your purchase of a Restaurant.

ITEM 2. BUSINESS EXPERIENCE

PRESIDENT AND SECRETARY: Steven Chan

Steven Chan is the founder of the Tin Drum Asian Kitchen concept, and has served as our President and Secretary since December 2015. He also presently serves as President and Secretary of Tin Drum Rocks, LLC, positions he has held since April 2013, and Chief Executive Officer and a Director of Tin Drum Holding, positions he has held since April 2012. These positions are held in metro-Atlanta, Georgia.

CHIEF OPERATING OFFICER: Altaf Popatiya

Altaf Popatiya has served as our Chief Operating Officer since November 2018. He has also been an owner of ASN Milan, LLC since June 2015, SNA Milan, LLC since September 2015 and 2074 Old Norcross, LLC since August 2015. These positions are held in metro-Atlanta, Georgia.

VICE PRESIDENT OF MARKETING: Amisha Popatiya

Amisha Popatiya has served as our Vice President of Marketing since May 2020 From November 2018 to May 2020, she served as our Director of Marketing. She has also been a managing partner of ASN Milan, LLC since January 2017. She was formerly a manager of SNA Milan, LLC from January 2016 to May 2017, and a registered nurse at Piedmont Hospital from August 2015 to August 2016. These positions have been held in metro-Atlanta, Georgia.

ITEM 3. LITIGATION

Point Five Development Palm Harbor II, LLC v. 575 Restaurant Concepts, LLC d/b/a Tin Drum Asiacafe, Robert Laurens, and Tin Drum Asiacafé, LLC, Case No. 17-002683-CI, Circuit Court of the Sixth Judicial Circuit, Pinellas County, Florida, May 2, 2017. Plaintiff, a landlord, filed this lawsuit against 575 Restaurant Concepts, LLC (its tenant and a Tin Drum franchisee, **"Restaurant Concepts"**)), Robert Laurens (the personal guarantor on the lease) and us. The lawsuit alleges that Restaurant Concepts failed to open and failed to pay rent after signing a lease, and further alleges that we refused to grant necessary approvals for Restaurant Concepts to open. We denied the allegations. Plaintiff's claims include breach of lease against Restaurant Concepts and Laurens and tortious interference of a business relationship against us. We filed a motion to dismiss for lack of personal jurisdiction and failure to state a claim. On June 27, 2017, Restaurant Concepts and Laurens filed a cross-claim against us alleging breach of contract, breach of the duty of good faith and fair dealing, fraud in the inducement, tortious interference with a business relationship and breach of Florida's deceptive and unfair trade practices act. On July 7, 2017, without any further briefing or hearing, Plaintiff voluntarily dismissed its only claim against us without prejudice. Restaurant Concepts, Laurens and us entered into a Settlement Agreement on June 26, 2018 under which we agreed to pay to Restaurant Concepts and Laurens $140,000 in exchange for a release of all claims against us. Under the Settlement Agreement, Restaurant Concepts and Laurens acknowledged that they never sought approval to open a Restaurant in Palm Harbor, Florida, and unilaterally decided not to open a Restaurant at the Palm Harbor, Florida location. On July 12, 2018, Restaurant Concepts and Laurens voluntarily dismissed with prejudice all claims.

Other than this action, 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 Fees

We offer three different franchise packages depending on the number of Restaurants you wish to purchase:

Franchise Type	Number of Tin Drum Asian Kitchen Restaurants	Initial Franchise Fee
"Single Franchise"	1	$49,000
"Multi-Franchise"	2 or 3	$79,000 for 2 Restaurants; $99,000 for 3 Restaurants
"Franchise Area Developer"	4 and up	$119,000 for 4 Restaurants; for 5 Restaurants and up, $25,800 multiplied by the number of Restaurant

If you purchase a Single Franchise Package, you will enter into a Franchise Agreement in the form of **Exhibit B** (the **"Franchise Agreement"**) and must open a Restaurant within the first year after you sign the Franchise Agreement.

If you qualify to purchase a Multi-Franchise Package for either two or three Restaurants, you will sign a Franchise Agreement for the first Restaurant, as well as the **"Multi-Unit Addendum"** the form of which is attached to the Franchise Agreement. You will not have a development territory. You will be required to open one Restaurant within the first year and the remaining Restaurant(s) within five years after you sign the first Franchise Agreement and the Multi-Unit Addendum. You will be required to sign a Franchise Agreement for each additional Restaurant you open under the Multi-Franchise Package, but you will not be required to pay an initial franchise fee under Franchise Agreements for additional Restaurants (all other fees apply).

If you qualify to purchase a Franchise Area Developer Package, you will sign a Franchise Agreement for the first Restaurant, as well as an Development Agreement in the form of **Exhibit C** (the **"Development Agreement"**) and must pay an initial franchise fee that is equal to $119,000 for four Restaurants and, for five Restaurants and up, $25,800 multiplied by the number of Restaurant you will develop under the Development Agreement. Under the Development Agreement, you will have a development territory as described in **Item 12.** You will be required to sign a Franchise Agreement for each additional Restaurant you open under the Franchise Area Developer Package, but you will not be required to pay an initial franchise fee (all other fees apply).

The initial franchise fees are payable in full upon execution of the Franchise Agreement or Development Agreement, as the case may be, and are not refundable.

In our last fiscal year, initial franchise fees ranged from $25,000 to $30,000.

Opening Assistance Fee

In addition to the initial franchise fee, you must pay an opening assistance fee of $5,000 for the first Restaurant that you purchase, which offsets the costs in supporting your efforts to find, develop, and open the Restaurant. You will pay the opening assistance fee when you sign the Franchise Agreement. If you qualify to develop and operate either a Multi-Franchise Package or a Franchise Area Developer Package, the opening assistance fee is waived for each additional Restaurant.

Opening assistance fees are not refundable under any circumstances. Unless otherwise agreed to, by way of example, through a franchise sales promotion, or otherwise, all opening assistance fees are uniform.

ITEM 6. OTHER FEES

Type of Fee (1)	Amount	Due Date	Remarks
Royalty Fee	6.5% of Gross Sales (2)	Payable on Wednesday of each week for the prior week's Gross Sales (2)	You must pay the Royalty Fee (3) by electronic funds transfer.
National Marketing Fee	Up to 3% of Gross Sales (2), currently 1.5% of Gross Sales	Payable on Wednesday of each week for the prior week's Gross Sales	We may use these funds to create marketing, advertising and promotional materials for your use, or we may use these funds for marketing, advertising and public relations programs and materials on a system-wide basis. You must pay the National Marketing Fee by electronic funds transfer.
Local Advertising Cooperative Contribution	1% of Gross Sales (2)	Payable on Wednesday of each week for the prior week's Gross Sales	We (or our designee) administer these funds in accordance with the direction of the cooperative members. You must pay the Local Advertising Cooperative Contribution by electronic funds transfer.
Technology Fee (3)	An amount that we designate up to $900 per month (currently, we do not charge this fee); one time set-up fee of $199 for firewall and $50 per month	Payable the 3rd week of each month	You must pay us the amount we designate for the use of our mandated management information system, which includes auto-polling services of the Point-of-Sale System, and 24X7 monitoring of in-Restaurant network, firewall and managed devices via the Internet. This includes the use of our mandated onsite security appliances (i.e., firewall) to ensure your compliance with PCIDSS. The approved vendor for the onsite security appliance is Netsurion. We may deduct the Technology Fee from your account by electronic funds transfer. In addition, franchisees may be responsible for paying our approved third party vendors directly for certain technology. See **Item 11**.

Type of Fee (1)	Amount	Due Date	Remarks
Mobile Application Vendor Charge	$199 per location and an ongoing fee of $150 per month	As agreed	You must pay us $150 per month for ongoing mobile application fees. In addition to these fees, each transaction will be charged a variable interchange fee at a minimum of 4.5 cents per transaction and a minimum of 2 to 2.3% variable percentage dependent on the varying volume of transactions.
Revel POS System Maintenance	$400 to $600 monthly depending on the number of terminals at your Restaurant		You must pay this amount to the designated POS System provider on a monthly basis for ongoing support for your POS system.
Online Ordering Charge	$150 per month	As agreed	You will pay to the designated online ordering service vendor an ongoing fee of $150 per month.
Interest Charge on Late Payments	The lower of (i) 18% per annum, or (ii) the highest rate permitted by applicable state law	On demand	Only required if payment is late.
Late Fee	$100 per week (or portion thereof)	On demand	Only required if payment is late.
Non-Compliance Fee	Up to $500 each time you default and for each week (or portion thereof) that the default continues.	As stated in our notice	Only required, at our option, if we reasonably believe you have committed an event of default.
Customer Complaints	Reimbursement of our costs or expenses	On demand	You must promptly respond to, and reasonably attempt to resolve, any complaints or negative feedback received by us or you from any of your customers. If you fail to respond to and resolve any customer complaint or negative feedback, we may do so on your behalf, and you will reimburse us upon request for any costs or expenses we incur.
Reimbursement	Our out-of-pocket expenses	Within 15 days of request	Only required if we pay (or have become obligated to pay) monies that you owed to a third party or that you were obligated to pay a third party as part of our System.
Audit Fee	Cost of audit plus interest on late payment	Immediately upon determination by audit	Payable only if (i) we conduct an audit of your Restaurant because you failed to submit required reports or were otherwise not in compliance with our System, or (ii) we find, based on an audit, that you have understated amounts owed to us by 2% or more.
Transfer Fee	$2,500 plus cost of any applicable broker/sales fees; or, $1,500 upon transfer of minority interest	Before transferring	The Transfer Fee is $1,500 if you transfer an interest of 49% or less to someone other than a direct family member or the guarantor of your obligations.

Type of Fee [(1)]	Amount	Due Date	Remarks
Broker Fee	Our actual cost of the brokerage commissions, finder's fees, or similar charges	Before transferring	If you transfer your Restaurant to a third party, you must reimburse all of our actual costs for commissions, finder's fees and similar charges.
Management Fee	10% of Gross Sales for the period in which we operate the Restaurant	As agreed	Payable during the period that our appointed manager manages the Restaurant to avoid interruption of business operations, at our option, if (i) you or your majority owner dies or becomes disabled, (ii) we elect to purchase the business assets upon expiration or termination of the Franchise Agreement, or (iii) you operate the Restaurant in a manner that presents a danger to the health or safety of any person. Our management of the Restaurant will not exceed 90 days without your consent. We will account to you for all income of the Restaurant during the period in which our manager manages the business.
Default Cure	Our costs and expenses (including the allocation of any internal costs) for such action, plus 10% as an administrative fee.	Upon demand	Payable if you breach or default under any provision of the Franchise Agreement, and we take action to cure the default on your behalf.
Supplier Approval	Reasonable costs and expenses of inspection and testing estimated to range from $500 to $2,000	As invoiced	We may require you to pay us for our reasonable costs and expenses if we evaluate a proposed product, service or supplier at your request.
Customer Satisfaction	Reimbursement of our costs and expenses	As invoiced	You must participate in any customer satisfaction and/or franchise compliance programs (e.g., guest surveys, mystery shoppers, etc.) that we designate. We may require you to reimburse us for the cost of such programs or to pay the vendors directly. You must also reimburse us if you fail to respond to and resolve any customer complaints or negative feedback, and we choose to do so on your behalf.
Replacement General Manager Training	Our then-current fee	On demand	If your General Manager ceases active management, a replacement General Manager must be trained according to our standards and, if required by us, must attend the Initial Training Program.
Ongoing Training Fee	A reasonable fee commensurate with our internal and out of pocket costs	On demand	You, your Operating Principal and your managers must attend and complete, to our reasonable satisfaction, such additional training programs as we may require from time to time.

Type of Fee [1]	Amount	Due Date	Remarks
Conferences	A reasonable fee commensurate with our internal and out of pocket costs	On demand	We may require you to attend one or more regional or national conventions or conferences per calendar year.
Indemnification	Will vary under circumstances	On demand	You must indemnify us when certain of your actions result in loss or damages to us.
Renewal Fee	50% of the then current initial franchise fee	Upon renewal	Payable if you elect to enter into a successor term.
Liquidated Damages	Amount equal to the average Royalty Fees for the last 12 months (or shorter period, if Restaurant has been in operation less than 12 months), multiplied by the lesser of: (i) 18, or (ii) the number of months remaining in the term.	On demand	We may require you to pay us this amount if you terminate the Franchise Agreement without cause or we terminate the Franchise Agreement for cause.
Costs and Attorneys' Fees	Will vary under circumstances	On demand	The prevailing party in any legal proceeding is entitled to reimbursement of its costs and expenses, including reasonable accounting and attorneys' fees.
Relocation of Franchise	Will vary under circumstances	On demand	You must reimburse us for the out-of-pocket expenses we incur in helping you relocate.
Training	Will vary under circumstances	As incurred	See **Item 11** of this Disclosure Document
Remodel Marketing Expense	$3,750	As incurred	We may require you to spend $3,750 on marketing for any Remodel.
Tax Reimbursement	Will vary under circumstances	On demand	You must reimburse us any amounts a taxing authority imposes on us, any "franchise" tax or other tax that is based on your gross sales, gross revenues, business activities or operation of your Restaurant.
Third Party Inspection Fees	Will vary under circumstances	On demand	If you have failed to meet our standards after 2 inspections, and we choose to conduct a third inspection by a third party, then you must reimburse us for our out-of-pocket expenses, including service fees, travel and living expenses.

NOTES:

1. All fees and expenses described in this **Item 6** are non-refundable. All fees are uniformly imposed. These fees may have been waived or modified for a particular franchisee in the past based on the particular circumstances, and we may do so in the future if we deem appropriate. Except as otherwise indicated in the chart above, we impose all of the fees and expenses listed, and they are payable to us. We may require you to pay any or all periodic or recurring fees to us by electronic funds transfer. We require you to sign the Pre-Authorized Bank Form attached as **Exhibit D**.

2. **"Gross Sales"** means all revenue related to the sale of products and performance of services at or through the Restaurant, whether for cash or credit, and regardless of collection in the case of credit, and income of every kind or nature related to the Restaurant, including, without limitation, insurance proceeds and condemnation awards for loss of sales, profits or business and amounts from gift cards (at redemption), delivery, catering and off-site consumption. Gross Sales does not include (i) bona fide refunds to customers, (ii) revenues from sales taxes or other add-on taxes collected from customers by you and actually transmitted to the appropriate taxing authority, (iii) sales of used equipment not in the ordinary course of business, or (iv) sales of gift cards or similar products (but the redemption of any such card or product will be included in Gross Sales). You may not deduct payment provider fees, e.g., bank or credit card company fees and gift card vendor fees from your Gross Sales calculation. The Royalty Fee and/or definition of Gross Sales may be adjusted, equivalent to amounts other franchisees are paying us, if applicable law prohibits payments to us based on a percentage of sales of alcoholic beverage products. We currently permit our franchisees to deduct third party delivery service fees from Gross Sales, including without limitation fees charged by third-party delivery service providers (e.g., GrubHub, ezCater, Waitr, DoorDash, Uber Eats, Postmates, Foodsby (each, a **"TPDS"**)). However, we reserve the right in the future effective on 30 days advance notice to you to include such fees in Gross Sales such that the full purchase price of the products charged to the customer by a TPDS is subject to inclusion in Gross Sales for purpose of the calculation of Royalty Fees, National Marketing Fees and Local Marketing Cooperative Contributions regardless of the amount of revenue actually received from the TPDS as a result of the customer's purchase.

3. At this time, franchisees pay the approved credit card processing vendor directly to utilize the EMV terminal for integration with the Point-of-Sale System, mobile application and online ordering platforms.

ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount		Method of Payment	When Due	Whom Payment is to be Made
Initial Franchise Fee (1)	$49,000	$49,000	Lump sum	When the Franchise Agreement is signed	Us
Opening Assistance Fee (2)	$5,000	$5,000	Lump sum	When Franchise Agreement is signed	Us
Architect (3)	$3,500	$12,000	As arranged	Before opening	Designated Licensed Architect
Leasehold Improvements (4)	$135,000	$255,000	Lump Sum	Before opening	Designated Licensed Contractor or Designated Source
Rent (5)	$4,500	$8,250	Lump Sum	As arranged	Landlord

Type of Expenditure	Amount		Method of Payment	When Due	Whom Payment is to be Made
Restaurant Fixtures, Furniture, and Equipment (including point of sale/cash register system) (6)	$170,000	$200,000	Lump Sum	As arranged	Designated Equipment Vendor
Licenses, Bonding & Permits (including but not limited to liquor license) (7)	$1,500	$8,500	As incurred	Before opening	Government Agencies
Initial Training Expenses (8)	$2,500	$6,000	Lump sum	As incurred	Your Employees, Suppliers of Transportation, Food, Lodging
Signage	$3,500	$10,000	Lump sum	Before opening	Suppliers
Uniforms	$1,000	$2,000	Lump sum	Before opening	Suppliers
Initial Inventory & Supplies (9)	$12,000	$15,000	Lump sum	Before opening	Suppliers
Insurance (10)	$300	$6,500	As arranged	As incurred	Insurance Companies
Legal/Accounting (11)	$500	$5,000	As arranged	As incurred	Attorney Accountant
Grand Opening Marketing Program (12)	$2,500	$5,000	Lump Sum	As incurred	Third parties
Additional Funds (working capital) (3 to 6 months) (13)	$10,000	$30,000	As needed	As needed	Third parties
TOTAL ESTIMATED INITIAL INVESTMENT FOR YOUR FIRST FRANCHISE (14)	$400,800	$617,250			
Multi-Franchise – 2 Restaurants	If you purchase a Multi-Franchise Package under the Multi-Franchise Addendum, you will incur all of the costs listed above for each Restaurant, except that the initial franchise fee will total $79,000 and allow you to open up to 2 Restaurants and you will pay the $5,000 Opening Assistance fee only for the first Restaurant. If you were to open 2 Restaurants, using the same estimated initial expenses above, we estimate this total cost to range between $777,600 and $1,210,500. These costs may increase in the future depending on when you open the additional Restaurants.				
Multi-Franchise – 3 Restaurants	If you purchase a Multi-Franchise Package under the Multi-Franchise Addendum, you will incur all of the costs listed above for each Restaurant, except that the initial franchise fee will total $99,000 and allow you to open up to 3 Restaurants and you will pay the $5,000				

Type of Expenditure	Amount	Method of Payment	When Due	Whom Payment is to be Made
	Opening Assistance fee only for the first Restaurant. If you were to open 3 Restaurants, using the same estimated initial expenses above, we estimate this total cost to range between $1,144,400 and $1,793,750. These costs may increase in the future depending on when you open the additional Restaurants.			
Franchise Area Developer – 4 Restaurants	If you purchase a Franchise Area Developer Package under the Development Agreement, you will incur all of the costs listed above for each Restaurant, except that the initial franchise fee will total $119,000 for all of the 4 Restaurants that you are required to open and you will pay the $5,000 Opening Assistance fee only for the first Restaurant. If you were to open 4 Restaurants, using the same estimated initial expenses above, we estimate this total cost to range between $1,511,200 and $2,377,000. These costs may increase in the future depending on when you open the additional Restaurants which may depend on your development schedule.			
Franchise Area Developer – 5 Restaurants	If you purchase a Franchise Area Developer Package under the Development Agreement, you will incur all of the costs listed above for each Restaurant, except that the initial franchise fee will total $129,000 for all of the 5 Restaurants that you are required to open and you will pay the $5,000 Opening Assistance fee only for the first Restaurant. If you were to open 5 Restaurants, using the same estimated initial expenses above, we estimate this total cost to range between $1,868,000 and $2,950,000. These costs may increase in the future depending on when you open the additional Restaurants which may depend on your development schedule.			

*** All of the above expenditures are not refundable.**

NOTES:

1. See **Item 5** for additional information on initial franchise fees. The initial franchise fee for a single Restaurant is $49,000. The initial franchise fee for a Multi-Franchise Package which allows you to open up to two Restaurants is $79,000 and the initial franchise fee for a Multi-Franchise Package which allows you to open up to three Restaurants is $99,000. If you purchase a Franchise Area Developer Package for four Restaurants, you are required to open four Restaurants according to a schedule in order to maintain your development rights and the initial franchise fee is $119,000. For five Restaurants and up, the initial franchise fee is $25,800 multiplied by the number of Restaurants required to be opened under the Development Agreement. Once you open additional Restaurants, you will incur the costs listed in this Item (except for the initial franchise fee) at the time you open the additional Restaurants. These costs may increase in the future depending on when you open the additional Restaurants.

2. The opening assistance fee for your first Restaurant is $5,000. We do not charge an opening assistance fee for additional Restaurants that you open.

3. You will be provided a set of plans for recommended construction in conformity with mandatory design specifications. You may be required by local codes and regulations to retain a licensed architect or equivalent professional to review or certify the plans and/or to oversee construction. The lower ranges assume that the site was formerly used as a restaurant so that the plans can utilize existing plumbing, electrical, etc.

4. The cost of leasehold improvements will be affected by various factors like the location of the Restaurant, the condition of the space and facility selected, and regional and local market conditions. Costs associated with new construction are often higher than costs for renovating or rebuilding existing space. Conversion of existing restaurant space can often be less costly than building out other types of

space. The leasehold improvement estimate is based on the cost of adapting the most common elements of our architectural and design plans (including architect fees) to a facility. The New Prototype Restaurant that you will build will be approximately 2,000 to 2,200 square feet with seating capacity of approximately 75 interior seats. The estimate assumes that the landlord will provide connections to adequate electrical, gas, water, and sewage service. Your landlord may contribute money towards tenants' leasehold improvements or build-out costs. commonly known as a "tenant improvement allowance." If you negotiate a tenant improvement allowance, your out-of-pocket costs for leasehold improvements may decrease significantly. This estimate assumes you do not have a tenant improvement allowance and that you are not converting an existing restaurant space. The estimate does not include a security deposit, which may range from nothing to $8,500 depending on your lease.

5. We cannot estimate your initial investment for real estate acquisition, as real estate costs and related expenses vary significantly from market to market, and are affected by many factors. Restaurants are often located in end-cap spaces within shopping centers or entertainment areas. Due to the high costs often associated with land acquisition and new construction, the premises for Restaurants are usually leased. This estimate includes rent for a 3-month period based on a Restaurant that is between 2,000 and 2,200 square feet. However, the overall cost to lease will vary depending on location, quality of the facility, local and regional real estate market conditions, current economic conditions, relative bargaining strength of the parties and other factors. Your rent will also be affected by the amount of your tenant improvement allowance.

6. These costs may vary depending on factors like the size and layout of the Restaurant and whether new or used fixtures and equipment are utilized. We may allow you to purchase pre-owned equipment that meets our specifications and standards, and thus, reduce the cost of these items.

7. Some Restaurants serve alcohol as one of their beverage offerings. You may, but will not be required to, serve alcoholic beverages. Restaurants offering alcoholic beverages are required to have a current liquor license. The cost of a liquor license will depend on where your Restaurant is located, the availability of liquor licenses, the ability to transfer a license, and the market value of liquor licenses. Depending on these factors, the cost of your liquor license may exceed the estimated range.

8. The amounts shown above are estimates of the out-of-pocket expenses you may incur during initial training for 3 people. Your actual costs may be higher, depending upon your selection of lodging and dining facilities, mode and distance of transportation, number of people attending initial training and employee salary levels.

9. You must lease or purchase linens, first aid supplies, office supplies, initial cleaning supplies, gift certificates, menus and other printed items, and opening cash drawer. You will also be required to purchase certain recipe items, as specified by us, which constitute key components of our System. Accordingly, the estimate also includes the cost of food, beverages, condiments, sauces and recipe items, and other miscellaneous items for approximately the first 7 days of operations.

10. This amount may vary depending upon how many Restaurants you develop and operate. This amount represents an estimate of the initial payment on your annual insurance premiums. See **Item 8** for a description of the current insurance requirements for a Restaurant.

11. You may incur legal fees for establishing an entity, the review of franchise documentation and the negotiation of your lease and other documentation. The cost of professional services can vary widely. The cost of permits will also vary depending on local conditions.

12. If you have not previously developed and opened a Restaurant, you must conduct a Grand Opening Marketing Program (the **"Grand Opening Marketing Program")** for your Restaurant in accordance with our Manuals, utilizing the tools, timing, technologies, services and products we authorize and direct. You must submit your grand opening marketing plan to us or review and approval no later than 60 days prior to opening of the Restaurant. You must spend at least $5,000 (exclusive of the cost of food and beverages), on your Grand Opening Marketing Program for the Restaurant beginning approximately 60 days before opening the Restaurant through 30 to 60 days afterwards. If you have previously developed and opened a Restaurant, you must spend a minimum of $2,500 (exclusive of the cost of food and beverages) to conduct a Grand Opening Marketing Program for your Restaurant during the grand opening time period beginning approximately 60 days before opening the Restaurant through 60 days afterwards. We do not collect this amount and you will be obligated to pay vendors and service providers directly.

13. The amount of additional funds needed will depend on the time necessary to achieve cash flow to cover your operating expenses. The estimated amount is the minimum recommended for a 3-month period. However, we cannot guarantee that such an amount will be sufficient. Additional working capital may be required if sales are low and/or fixed costs are high. The actual amount needed and the duration of the need will depend on factors like your management skills, experience and business acumen. You should review these figures carefully with your business advisor.

14. We have relied on historical experience provided by our franchisees and data from our affiliates that have operated Restaurants to compile these estimates. The amounts shown are estimates only and may vary for many reasons, including, without limitation, your management skill and experience, your business acumen, local economic conditions, and sales reached during the initial operating period. These figures are based upon operating Restaurants in the Atlanta, Georgia metro area. **Estimated initial investment costs may be substantially higher in certain states and locations, including New York, California, Nevada and Hawaii**. You should review these figures carefully with a business advisor before making any decision to purchase the Restaurant. All estimates are subject to change based on changes in market conditions, vendors' costs of providing services and future policy changes.

The amounts described above are not refundable unless otherwise stated.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

In order to maintain the reputation, goodwill, high standards, quality and uniformity of the System, the Franchise Agreement restricts the sources of products and services you utilize in establishing and operating your Restaurant. We have the right to require some items to be purchased only from us or our affiliates. Some items can only be purchased from suppliers we have designated or approved, and others only in accordance with our standards and specifications. The source for virtually all of your purchases is restricted in some way. The following table summarizes the approximate percentages of your purchase of goods and services through sourcing restrictions, based on the nature of the restrictions:

Required Purchases from Us or Affiliates	Required Purchases from Approved Suppliers	Required Purchases In Accordance with Our Specifications and Standards
Establishment - 0%	Establishment - 75%	Establishment - 25%
Operation - 0%	Operation - 72%	Operation - 26%

Purchases from Approved Suppliers

To maintain the superior quality of the goods and services sold by Restaurants and the reputation of the Restaurants, you must purchase or lease fixtures, equipment and supplies, furnishings, products and services, and related items from suppliers that we designate or approve.

We may change approved suppliers periodically. We will identify all designated and approved suppliers in our Manuals or other written or electronic communications. We do not make any express or implied warranties for any products or goods that we recommend for your use.

Purchases According to Standards and Specifications

In order to maintain the uniformly high standards and reputation of the System, you are required to purchase or lease certain items in accordance with the specifications and guidelines issued by us. This requirement applies to design and build-out standards, computerized point-of-sale and cash register systems, signage, menu boards, uniforms, beverage and food products, branded paper goods, and supplies to be used in developing and operating the Restaurant (some of which must be purchased from approved suppliers). Specifications may include minimum standards for quality, quantity, delivery, performance, design, appearance, durability, style, warranties, price range, and other related restrictions. We consider these specifications to be of critical importance to the success of the System. (All of these specifications and guidelines are more fully described in our Manuals).

Site Selection − The location for your Restaurant must satisfy our site selection criteria, which we may modify. You must utilize the services of one of our designated national site selection and real estate services providers to assist with site selection and lease negotiations. Before you acquire the premises for the Restaurant, you must submit to us all information that we request. We will have 30 days after we receive the information from you to determine whether the proposed site meets our site selection criteria. We will not unreasonably withhold our approval, but no site will be deemed to conform to our criteria unless we have expressly indicated that in writing. We have the right to ensure that the proposed lease or sublease for the premises satisfies the leasing standards we prescribe before you sign it. We require you and your landlord to sign our standard Addendum to Lease Agreement/Conditional Assignment of Lease.

Construction and Opening − You are responsible for developing the Restaurant in compliance with our standards and specifications. We will furnish you with mandatory and suggested specifications and layouts for a Restaurant, including requirements for dimensions, design, color scheme, image, interior layout, décor, fixtures, equipment, signs and furnishings.

You are obligated, at your expense, to have a licensed architect prepare all required construction plans and specifications to suit the shape and dimensions of the accepted site and to ensure that the plans and specifications comply with applicable ordinances, building codes, permit requirements, lease requirements and restrictions, and the mandatory specifications and layout provided by us. You must obtain our prior written approval of your licensed architect. You must also retain a licensed general contractor to oversee the construction of the Restaurant. You must obtain our prior written approval of your licensed general contractor. Design quality is important to us, and we have the right to review and accept all plans and specifications and to confirm that construction is completed in conformance with our architectural and design standards and specifications for a Restaurant. If we so request, you must provide a schedule setting forth in detail the anticipated dates on which you will: (i) deliver the final construction plans for the Restaurant; (ii) receive all necessary building permits; and (iii) complete construction (we may inspect construction of the Restaurant at all reasonable times). You must complete construction and begin operations of the Restaurant within 12 months after the date that you sign the Franchise Agreement.

However, if you have entered into a Development Agreement, the deadline for opening stated in the Development Agreement will apply. You may not open the Restaurant to the public until you have received our approval.

Computer Hardware and Software − You are required to purchase the computer system, including the point-of-sale system and certain hardware and software described in **Item 11** of this Disclosure Document.

Advertising and Promotional Materials − All of your advertising and promotions must conform to our standards and requirements. We must approve all advertising and promotional materials before you use them. You must submit to us samples of all promotional and marketing materials in whatever form you propose to use them at least 15 days before their intended use if such materials have not been prepared by us or previously approved by us during the 12-month period preceding the date of proposed use. We will make reasonable efforts to approve or disapprove them within 10 days after we receive them. You must not use the advertising or marketing materials until we have approved them, and must promptly discontinue using any advertising or promotional materials if we notify you to do so.

Insurance − Before beginning any operations under the Franchise Agreement, you must obtain and must maintain in full force and effect at all times during the term of the Franchise Agreement, at your own expense, insurance coverage that we require. We may regulate the types, amounts, terms and conditions of insurance coverage required for your Restaurant, and standards for underwriters of policies providing required insurance coverage, including (a) our protection and rights under these policies as an additional insured; (b) required or permissible insurance contract provisions; (c) assignment of policy rights to us; (d) periodic verification of insurance coverage that must be furnished to us; (e) our right to obtain insurance coverage at your expense if you fail to obtain required coverage; and (f) similar matters relating to insured and uninsured claims.

All policies must be written by an insurance company rated "A" or better by A.M. Best Company, and that is otherwise satisfactory to us. You must be named as the insured on all policies You are currently required to purchase and maintain throughout the term of the Restaurant Agreement:

1. Comprehensive general liability insurance, including contractual liability, broad form property damage, personal injury, advertising injury, product liability, employee liability, employee benefits liability, completed operations and independent contractors coverage, legal liability coverage with a minimum of $500,000 in coverage, and fire damage coverage in the amount of $1,000,000 per occurrence, with $2,000,000 aggregate coverage (or such higher amount as required by the lease for the premises);

2. An "umbrella" policy providing excess coverage with limits not less than the following amounts, depending upon the number of Restaurants that you (or your affiliate) develop and operate:

Number of Restaurants	**Minimum Coverage**
1-3	$1,000,000
4-6	$3,000,000
7-9	$5,000,000
10-15	$7,000,000
More than 15	$10,000,000

3. Automobile liability coverage, including coverage of owned, non-owned and hired vehicles, with coverage in amounts not less than $1,000,000 combined single limit and additional liability coverage as needed for delivery services;

4. Liquor liability coverage, if applicable, in the amount of $1,000,000;

5. Worker's compensation and employer's liability insurance, in the minimum amount of $500,000 or a higher limit as required by applicable law, as well as such other insurance as may be required by applicable law;

6. "All risks" or "special form" coverage for the full replacement of the Restaurant premises and all personal property and equipment on Site or used in the Restaurant;

7. Business interruption and extra expense insurance for a minimum of 12 months to cover loss of profits and continuing expenses, including payment of Royalty Fees. We recommend, but do not require, that you obtain coverage for business interruption due pandemics and/or widespread infectious disease outbreaks;

8. Employment practices liability insurance with limits not less than $100,000 per occurrence/aggregate limit. Additionally, we recommend (but do not require) the following amounts, depending upon the number of Restaurants that you (or your affiliate) develop and operate:

Number of Restaurants	**Minimum Coverage**
3-6	$1,000,000 per occurrence/aggregate limit; must include $100,000 joint-employer co-defense coverage for us.
7-12	$2,000,000 per occurrence/aggregate limit; must include $100,000 joint-employer co-defense coverage for us.

9. Data Privacy/Cyber Liability Coverage, including coverage for loss arising from the failure to protect sensitive personal information in any format, in an amount not less than $1,000,000.

10. Food Contamination Insurance with a minimum of $250,000 in coverage, including crisis management and public relations coverage, business income loss, product recall loss and incident exposure due to product contamination claims. Your policy must be in participation with coverage written across the System and under our master control policy.

The cost of these coverages will vary depending on the insurance carrier's charges, terms of payments, and your history. All insurance policies, except for workers' compensation and employment' liability insurance policies, must name us and our affiliates as an additional insured party. In addition, you and your insurance company must waive all rights of subrogation against our affiliates and us under your general liability, automobile liability and liability umbrella policies. At least 15 days prior to the opening of the Restaurant and at least 30 days in advance of each policy renewal date, you must submit to us certificates evidencing the existence and continuation of proper coverage. Such certificates of insurance must include a statement by the insurer that the policy or policies will not be canceled or materially altered without at least 30 days prior written notice to us. In addition, if requested by us, you will deliver to us a copy of any insurance policy or policies that we require.

In connection with any construction, leasehold improvements, renovation, refurbishment or remodeling of the premises of the Restaurant, your general contractor must maintain comprehensive general liability insurance (with comprehensive automobile liability coverage for both owned and non-owned vehicles, builder's risk, product liability and independent contractors coverage) in at least the amount of $1,000,000, with us named as an additional insured, as well as worker's compensation and employer's liability insurance as required by state law.

Supplier Approval Procedure

If you propose to purchase or lease any services or products not previously approved by us in writing (for services and products that require supplier approval), you must first notify us. We may require (among other things) submission of sufficient information, specifications and/or samples for us to determine whether the product or service complies with our standards and specifications, or whether the supplier meets our approved supplier criteria. We generally apply the following criteria (among others) in considering whether the supplier will be designated as an approved supplier:

1. Ability to produce the products, services, supplies, or equipment and meet our standards and specifications for quality and uniformity;

2. Production and delivery capabilities and ability to meet supply commitments;

3. Integrity of ownership (to assure that its association with us would not be inconsistent with our image or damage our goodwill); and

4. Financial stability.

You are responsible for all reasonable expenses incurred by us in connection with evaluating the product, service or supplier. Although we are not required to approve or disapprove supplier requests within any particular time period, we generally respond within 30 days after we receive your written request. Suppliers must maintain our standards in accordance with written specifications and any modifications. Failure to correct a deviation from the System's specifications will result in the termination of status as an approved supplier.

Purchases from Us

You may be required to purchase certain products, equipment or services directly from us or our affiliates. Currently, we do not require you to purchase any items from us or our affiliates. During 2020, we did not derive any revenue from direct sales of equipment, products or services to franchisees.

There are no suppliers in which any of our officers own an interest.

Purchasing Arrangements

We may (but are under no responsibility to) negotiate with suppliers and manufacturers to receive discounts or rebates on certain items you must purchase. Franchisees may participate in the Client Rewards program under which they will receive certain allowances based on their volume of purchases. Other than this program, we do not negotiate purchase arrangements with suppliers (including price terms) for most of the products and services you will purchase for use in operating the Restaurant. In doing so, we seek to promote the overall interests of the System and company-owned operations.

During 2020, we did not derive any revenue from required purchases by franchisees from approved or designated suppliers

Miscellaneous

There currently are no purchasing or distribution cooperatives. We do not provide material benefits to you (for example, renewal or granting additional franchises) for purchasing particular products or services or using a particular supplier, although franchisees may have their franchise agreements terminated or not renewed if they use unapproved suppliers.

Except as described above, neither we nor our affiliates currently derive revenue or other material consideration as a result of your required purchases or leases.

ITEM 9. FRANCHISEE'S OBLIGATIONS

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

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
a. Site selection and acquisition/lease	Franchise Agreement: Sections 5.A., 5.B., and 5.C	**Items 7, 8** and **11**
b. Pre-opening purchases/leases	Franchise Agreement: Sections 5.B., 5.C., 5.D., 5.H., 6.A., 6.L, 6.Q. and 8.A	**Items 5, 7, 8** and **11**
c. Site development	Franchise Agreement: Section 5.D; Multi-Unit Addendum: Section 1; Development Agreement: Section 3.	**Items 5, 7, 8** and **11**
d. Initial and ongoing training	Franchise Agreement: Sections 5.G, 5.I, 6.E, 6.F	**Item 11**
e. Opening	Franchise Agreement: Sections 5.F., 5.H; and 5.I; Multi-Unit Addendum: Section 2; Development Agreement: Section 3.	**Item 11**
f. Fees	Sections 4, 6.J, 6.K, 6.N, 10.H., 11.C., 13.B., 13.G, 14.E., 15.D., 17, and 18; Multi-Unit Addendum: Section 1; Development Agreement: Section 2.	**Items 5** and **6**
g. Compliance with standards and policies/operating manuals	Franchise Agreement: Sections 5, 6, 8, and 10	**Item 11**
h. Trademarks & proprietary information	Franchise Agreement: Sections 7 and 9	**Items 13** and **14**
i. Restrictions on Products and Services Offered	Franchise Agreement: Section 6	**Items 8** and **16**
j. Warranty and customer service requirements	Franchise Agreement: Sections 6.S. and 6.T.	**Item 6**

k. Territorial development and sales quota	Franchise Agreement: Not applicable; Multi-Unit Addendum: Section 2; Development Agreement: Section 3.	Not applicable
l. Ongoing product/service purchases	Franchise Agreement: Section 6	**Item 8**
m. Maintenance, appearance and remodeling requirements	Franchise Agreement: Sections 6.A., 6.H, 6.J and 13.B	**Item 11**
n. Insurance	Franchise Agreement: Section 12	**Items 7** and **8**
o. Advertising	Franchise Agreement: Section 11	**Items 6, 8** and **11**
p. Indemnification	Franchise Agreement: Section 17	**Item 6**
q. Owners participation/management/staffing	Franchise Agreement: Sections 6.A. and 6.C	**Items 11** and **15**
r. Records and reports	Franchise Agreement: Section 10	**Item 17**
s. Inspections and audits	Franchise Agreement: Sections 6.N. and 10.H	**Items 6** and **11**
t. Transfer	Franchise Agreement: Section 13; Development Agreement: Section 8	**Items 6** and **17**
u. Renewal	Franchise Agreement: Section 2.B	**Items 6** and **17**
v. Post-termination obligations	Franchise Agreement: Sections 15 and 16.B	**Item 17**
w. Non-competition covenants	Franchise Agreement: Section 16; Development Agreement: Section 9	**Item 17**
x. Dispute resolution	Franchise Agreement: Section 18; Development Agreement: Section 10	**Item 17**
y. Owner's Guaranty	Franchise Agreement: Section 5.B and Payment and Performance Guarantee; Development Agreement: Payment and Performance Guarantee	**Item 15**

ITEM 10. FINANCING

Neither we nor any of our agents or affiliates offers direct or indirect financing to you, or guarantees any note, lease or obligation.

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

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

Pre-Opening Obligations: Before you open your Restaurant:

1. If the location for your Restaurant has not been approved at the time you sign the Franchise Agreement, we will designate a geographic area within which the Restaurant is to be located (the **"Designated Area"**). The Designated Area for your Restaurant will be inserted into the Franchise Agreement before you sign the Franchise Agreement. The Designated Area is delineated for the sole purpose of site selection and does not confer any territorial exclusivity or protection. (Section 5.A. of the Franchise Agreement)

2. We will provide to you our criteria for Restaurant locations. We will review and advise you regarding potential locations that you submit to us. (Section 3.A.1. of the Franchise Agreement). Generally, we do not own the premises and do not lease it to you.

3. We will accept or reject your site for the Restaurant in the Designated Area. (Section 5.A. of the Franchise Agreement) We will use reasonable efforts to accept or reject a site that you propose within 30 days after we receive from you a complete site report and any other materials that we may require for assessing potential. If you have not heard from us within such 30-day period, the proposed site is deemed rejected. The factors that will affect our acceptance include demographic characteristics of the proposed site, traffic patterns, parking, the predominant character of the neighborhood, competition from other businesses providing similar services within the area, the proximity to other businesses (including other Restaurants), the nature of other businesses in proximity to the proposed site, and other commercial characteristics (including the purchase price or rental obligations and other lease terms for the proposed site) and the size of the premises, appearance and other physical characteristics of the premises, financing, building permits, zoning, local ordinances, and anticipated timetable for the installation of equipment, furniture and signs. You must acquire your site (by purchase, lease, or sublease) within 6 months of the date of your Franchise Agreement. You must open your Restaurant within six months of the date that you acquire your site. If you fail to do so, we may terminate the Franchise Agreement. (Sections 5.A. and 5.C. of the Franchise Agreement).

   If you commit to develop four or more Restaurants under a Development Agreement, the opening deadlines will be as specified in the Development Agreement.

4. We will review and accept or reject the lease for your site. (Section 5.B of the Franchise Agreement).

   You must obtain our acceptance of the lease or sublease (or any modification or amendment) for the location before you sign it, or any renewal of it. A condition to our acceptance of the lease (or sublease) is the execution by you, the landlord and us of the Addendum to Lease Agreement/Conditional Assignment of Lease (a copy of which is attached as **Exhibit E** to this Disclosure Document).

5. We will provide our mandatory and suggested specifications and layouts for a Restaurant, including requirements for dimensions, design, color scheme, image, interior layout, décor,

furnishings, equipment, signs, fixtures, opening inventory, and supplies. (Section 3.A.2. of the Franchise Agreement).

You are solely responsible for developing and constructing the site for your Restaurant, for all expenses associated with it, for conforming the premises to local ordinances and building codes and obtaining any required permits, and for compliance with the requirements of any applicable federal, state or local laws. You must use a licensed architect approved by us to prepare the plans and specifications for your Restaurant. You must use a licensed general contractor approved by us to oversee construction of the Restaurant.

6. We will provide, or grant access to, our lists of approved suppliers. (Section 3.A.3. of the Franchise Agreement).

7. Upon your request, we will review and advise you regarding your pre-opening business plan. (Section 3.A.4. of the Franchise Agreement).

8. If the Franchise Agreement is for your first Restaurant, we will provide our initial training program, which is described below. (Section 3.A.5. of the Franchise Agreement).

9. We will have a representative support your business opening with at least 5 days on-site opening assistance (but if you already have 2 or more Restaurants in operation, we are not obligated to provide onsite opening assistance). (Section 3.A.6. of the Franchise Agreement).

10. We will loan you (or provide you electronic access to) a copy of our Operating Manuals (the **"Manuals"**), which will include specifications for equipment, supplies, inventory, management, and operation. (Section 3.A.7. of the Franchise Agreement). A copy of the Table of Contents of our Manuals is attached as **Exhibit F** to this Disclosure Document.

<u>Continuing Obligations</u>: During the operation of the Restaurant:

1. We will provide such general advisory assistance and field support deemed by us to be appropriate in the ongoing operation, advertising and promotion of the Restaurant. (Section 3.B.1. of the Franchise Agreement).

2. We may provide you with specific individual or group advice, consultation and assistance rendered by personal visit or telephone, through newsletters, bulletins or other communication (delivered in hard copy or digitally); such advice, consultation and assistance will be available from time to time, as we deem appropriate. (Section 3.B.1. of the Franchise Agreement).

3. We will provide recommended prices for certain products offered by franchisees of the System, and may specify required prices for certain products at certain times, subject to applicable laws. (Section 3.B.2. of the Franchise Agreement).

4. We will provide you with our recommended procedures and tools for administration, bookkeeping, accounting, (including accounting software) and inventory control. We may make any such procedures required (and not merely recommended) as part of the System. (Section 3.B.3. of the Franchise Agreement).

5. We will provide updates, revisions and amendments to our Manuals to adapt the System to changing conditions, competitive circumstances, business strategies, business practices, technological innovations and other changes as we deem appropriate. (Section 3.B.4. of the Franchise Agreement).

6. On a periodic basis, we (or our third-party designee) will conduct (as we deem advisable) quality control reviews of the Restaurant. (Section 3.B.5. of the Franchise Agreement).

7. We will manage the NMF Account and oversee advertising, promotion and marketing programs. (Section 3.B.6. of the Franchise Agreement).

8. We will maintain the website for the System, which will include your location and telephone number. (Section 3.B.7. of the Franchise Agreement).

9. We will provide, or grant access to, our lists of approved suppliers, as changed from time to time. (Section 3.B.8. of the Franchise Agreement).

We have no implied duties or other duties not expressly stated in the Franchise Agreement. We may delegate any of our duties and responsibilities to third parties from time to time, including our affiliates

Advertising and Promotion

Approval of Advertising. All promotional and marketing materials that you propose to use must conform to our standards and requirements as specified in our Manuals. You must provide us with all samples of promotional and marketing materials in whatever form you desire to use for our approval at least 15 days before your proposed use of the materials if such materials have not been prepared by us or previously approved by us during the 12-month period preceding the date of proposed use. We will notify you of our approval or disapproval of the materials within 10 days of receiving them. If you do not receive our written approval within this time period, we will be deemed to have disapproved the materials. You cannot use any advertising or promotional plans or materials that we have not approved. (Section 11.A. of the Franchise Agreement).

Grand Opening Advertising. If you have not previously developed and opened a Restaurant, you must conduct a Grand Opening Marketing Program in accordance with our Manuals, utilizing the tools, timing, technologies, services and products we authorize and direct. You and we will develop the budget and plan following the grand opening process described in the Manuals. You must spend at least $5,000 (exclusive of the cost of food and beverages) on a Grand Opening Marketing Program for the Restaurant during the grand opening time period beginning approximately 60 days before opening the Restaurant through 60 days afterwards. The Grand Opening Marketing Program will use the marketing, advertising and public relations programs, media and materials we have developed or approved, and is separate from your other marketing and advertising requirements. You must submit expenditure reports to us to confirm your compliance with this requirement.

If you have previously developed and opened a Restaurant, then you must spend a minimum of $2,500 (exclusive of the cost of food and beverages) to conduct a Grand Opening Marketing Program for your Restaurant beginning approximately 60 days before opening the Restaurant through 60 days afterwards. You will be responsible for creating the grand opening marketing plan using marketing, advertising and public relations programs, media and materials we have approved. To this end, you must submit your grand opening marketing plan to us or review and approval no later than 60 days prior to opening of the Restaurant.

Your Grand Opening Marketing Contributions are separate and in additional to other marketing and advertising requirements.

Remodeling Advertising. If you remodel your Restaurant as part of a system-wide remodel program, we may require you to spend $3,750 on marketing to promote the Restaurant in connection with the remodel.

National Advertising Program. You will be charged a non-refundable national marketing and advertising fee (**"National Marketing Fee"**) in an amount determined by us, not to exceed 3% of Gross Sales. The current National Marketing Fee is 1.5%. The National Marketing Fee is placed in an account (**"NMF Account"**) and we use it in part to cover the costs incurred by us and/or our affiliates in designing and creating promotional, marketing and advertising resources, including, but not limited to, in-Restaurant point of purchase materials, flyers, radio and television commercials and other materials that we, in our sole discretion, deem appropriate. The NMF Account may be used by us to duplicate or distribute these materials; otherwise, it is your cost to do so. We may also use funds in the NMF Account for media placement. However, you are responsible for some of these costs if you elect to use the materials created in your own market and the NMF Account does not do so. We may elect in the future to use the NMF Account in connection with advertising with different media outlets, including print, radio, television and/or online on a national and/or regional level. We (or our designee) administer and maintain the NMF Account in the following manner:

1. We (or our designee) oversee all advertising, promotion and marketing programs, with sole discretion over the creative concepts, materials and media used in the programs, and the geographic, market and media placement and allocation thereof. The NMF Account may be used to satisfy all costs of maintaining, administering, directing, preparing and producing marketing, promotion and advertising resources, including, but not limited to, the cost of preparing and producing television, radio, magazine and newspaper advertising campaigns; the cost of direct mail and outdoor billboard advertising; the cost of marketing and promotion activities, including advertising and marketing agencies; the cost of public relations activities, including advertising and public relations agencies; the cost of developing and maintaining an Internet website; the cost of providing promotional and/or other marketing materials to franchisees; and personnel and other departmental costs for advertising, promotion and marketing that we internally administer or prepare.

2. The NMF Account is accounted for separately from our other funds and is not used to defray any of our general operating expenses, except for the reasonable salaries, administrative costs and overhead that we may incur in activities reasonably related to the administration or direction of our marketing programs.

3. It is anticipated that NMF Account contributions will be expended for programs during the fiscal year in which the contributions to it are made. If excess amounts remain at the end of the fiscal year, all expenditures in the following fiscal year(s) will be made first out of the excess amounts, including any interest or other earnings on the NMF Account, and next out of current contributions. We may, in our sole discretion, spend in any fiscal year an amount greater or less than NMF Account contributions in that year, and we may lend money to cover any deficits.

4. Each company-owned Restaurant will contribute to the NMF Account at the same rate as franchised locations.

5. An accounting of the NMF Account will be prepared annually and will be made available to you upon request. We retain the right to have the collections and expenditures of the NMF Account audited, at the expense of the NMF Account, by an independent certified public accountant we select.

The National Marketing Fees are deposited in our general operating account, but are accounted for separately in our financial statements. During our last fiscal year, we used the National Marketing Fees as follows:

Item	**% Spent**
Production	51
Media Placement	40
Administrative Expenses	0
Other	9
Total	**100.00%**

We assume no fiduciary duty in administering the NMF Account. We are under no obligation to ensure that expenditures of the NMF Account are or will be proportionate or equivalent to contributions of National Marketing Fees by Restaurants operating in any geographic area or that any Restaurant will benefit directly or in proportion to the amount of National Marketing Fees it has paid. (Section 11.B. of the Franchise Agreement.)

We do not currently have a franchisee advertising council.

We may require you to honor rebates, giveaways, discounts, incentives and promotions in accordance with marketing programs, loyalty programs or customer survey/research programs that we establish from time to time. You must honor rebates, giveaways, discounts, incentives and promotions that are issued by other franchisees.

Local Advertising Cooperative. You will be required to participate in a local advertising cooperative with other franchisees in your area and to pay 1% of Gross Sales each week into a fund to be used by the cooperative in accordance with mandatory administrative oversight by us in our sole discretion. If there are no other franchisees in your designated market area, then you will be the sole member of the advertising cooperative until additional franchises are established in your designated market area. We have contracted with an outside independent accounting firm to administer the funds in accordance with the direction of the cooperative members. Cooperatives will usually be based on practical geographic divisions like cities, counties and states, and we reserve the right to designate the geographic area for establishing each cooperative. Each cooperative will allow franchisee members to coordinate advertising and marketing efforts and programs, and to maximize the efficient use of local advertising media. No money may be spent, nor will any promotional or advertising plans or materials be used, by a cooperative or its members without our prior written approval. (Section 11.C. of the Franchise Agreement).

We reserve the right to require cooperative members to adhere to governing documents that we develop. You may also be required to submit monthly financial statements for the cooperative. We will have the power to require a cooperative to be changed, dissolved or merged. Activities of the cooperative will generally be determined by its members, except that we reserve the right to exercise sole decision-making power over the cooperative funds if we determine, in our sole discretion, that the cooperative is not functioning properly either due to a lack of participation or an impasse among the members. Company-owned locations may participate in the cooperatives and, if they do so, they will be subject to the same fees and voting powers as franchisee members. (Section 11.C. of the Franchise Agreement.)

Internet Advertising.

Unless otherwise approved by us in writing, you may not establish nor permit any other party to establish an Online Site relating in any manner to your Restaurant, the System, or referring to the Marks. The term "Online Site" means certain domain names, hypertext markup language (**"html"**), uniform resource locator (**"url"**) addresses, and access to corresponding Internet web sites, and the right to hyperlink to certain web sites and listings on various Internet search engines and other social networking media, business networking media, and marketing media sites, applications, and platforms, all as modified and expanded from time to time as technology progresses and otherwise related to the Restaurant or the Marks. Any Online Site relating in any manner whatsoever to your Restaurant, the System or referring to the Marks will be deemed "advertising" under the Franchise Agreement, and will be subject to (among other things) our approval. (Section 8.E. of the Franchise Agreement). In connection with any Online Site, you agree to the following:

1. We (directly or through a designee) will have the right, but not the obligation, to establish one or more Online Sites for the Tin Drum Asian Kitchen brand.

2. Unless we approve you to do so, you may not establish any Online Site other than to the extent that we provide you with one or more webpages on the Tin Drum Asian Kitchen brand Online Site.

3. If we permit you, in writing, to have an independent Online Site, then each of the following requirements will apply to your Online Site:

    (a) Before establishing any Online Site, you must submit to us for our written approval, a sample of the proposed Online Site, including the domain name, format, visible content (including, without limitation, proposed screen shots), and non-visible content (including meta tag), and any other information that we request, in the form that we require.

    (b) You must establish hyperlinks to any Online Site that we may establish or request.

    (c) In addition to any other applicable requirements, you must comply with our standards and specifications for any Online Site (which we may issue periodically in the Manuals or otherwise in writing).

    (d) We may in writing revoke our approval at any time and require you to discontinue use of your independent Online Site (Section 8.E of the Franchise Agreement).

Training.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Hours of On-the-Job Training
OPERATIONS TRAINING PROGRAM			
Food Preparation	0 hours	24 hours	Our support center or a designated Restaurant, both in metro Atlanta, Georgia
Operational and Service Standards	0 hours	40 hours	Our support center or a designated Restaurant, both in metro Atlanta, Georgia
Cooking Procedures	0 hours	40 hours	Our support center or a designated Restaurant, both in metro Atlanta, Georgia
Inventory Control	0 hours	8 hours	Our support center or a designated Restaurant, both in metro Atlanta, Georgia
POS Training	0 hours	8 hours	Our support center or a designated Restaurant, both in metro Atlanta, Georgia
Food Safety	0 hours	4 hours	Our support center or a designated Restaurant, both in metro Atlanta, Georgia
Deployment of Labor	0 hours	4 hours	Our support center or a designated Restaurant, both in metro Atlanta, Georgia
Maintenance of Quality Standards	0 hours	4 hours	Our support center or a designated Restaurant, both in metro Atlanta, Georgia
Shift Management	0 hours	16 hours	Our support center or a designated Restaurant, both in metro Atlanta, Georgia
Other – General Operating Procedures	0 hours	4 hours	Our support center or a designated Restaurant, both in metro Atlanta, Georgia
TOTAL:	**0 hours**	**152 hours**	

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Hours of On-the-Job Training
LEADERSHIP TRAINING PROGRAM			
Financial Management and Records Retention	4 hours	0 hours	Our support center or a designated Restaurant, both in metro Atlanta, Georgia

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Hours of On-the-Job Training
LEADERSHIP TRAINING PROGRAM			
PNL and POS Reporting	2 hours	0 hours	Our support center or a designated Restaurant, both in metro Atlanta, Georgia
Food and Labor Cost Structure	2 hours	0 hours	Our support center or a designated Restaurant, both in metro Atlanta, Georgia
General Restaurant Operations	8 hours	0 hours	Our support center or a designated Restaurant, both in metro Atlanta, Georgia
Branding, Marketing and LSM	8 hours	0 hours	Our support center or a designated Restaurant, both in metro Atlanta, Georgia
Human Resources and Labor Law	2 hours	0 hours	Our support center or a designated Restaurant, both in metro Atlanta, Georgia
TOTAL:	**26 hours**	**0 hours**	

The time periods allocated to the subjects listed above are approximations, and the time actually spent by you and your personnel may vary based on the experience and performance of those persons being trained. We reserve the right to add an addition two weeks of training as a requirement. The instructional materials used in the initial training program will consist primarily of our Manuals, marketing and promotional materials, videos and other handouts.

Our training is conducted by Jair Jimenez. He commenced employment with us a Director of Training in 2017. Prior to that, he spent five years in the restaurant industry.

We will (in our sole discretion) make available other ongoing continuing education and training programs, meetings or seminars (on an optional or mandatory basis), that we deem advisable. We may also host one or more conventions per calendar year, as well as conference telephone calls, which may include education and training. You and your designated employees must attend and successfully complete all ongoing continuing education and training programs, and must attend all meetings, seminars, conventions and conference telephone calls, as we may require. We may charge a reasonable fee for instruction and training materials; you are responsible for all other expenses, including travel, lodging and meals, incurred by you and your employees. (Sections 6E. and 6.F. of the Franchise Agreement).

If your General Manager ceases active management of the Restaurant, a replacement General Manager must be trained according to our standards and, if required by us, attend the Operations Training Program. You must pay our then-current fee for replacement General Manager Operations training. In addition, if you request or if we deem it appropriate and necessary, we will (subject to availability of our representatives) provide trained representatives to conduct on-site replacement General Manager Operations Training or remedial training at your Restaurant. You are responsible for paying our then-current per diem fee for such on-site training. (Section 6.E. of the Franchise Agreement). We reserve the right to approve the General Manager for your Restaurant.

Computer System and Point-of-Sale Systems

You must purchase, use, maintain and update a computer system that we specify for use in the operation of the Restaurant, and must follow all policies and procedures that we specify in the Manuals or otherwise in writing. (Section 8.A. of the Franchise Agreement).

In general terms, you must obtain a computer system that includes certain software and hardware items and peripheral devices. Among other things, you must meet our requirements concerning (a) management systems; (b) a point-of-sale system, including cash register (**"POS System"**); (c) physical, electronic, and other security systems; (d) printers and other peripheral devices; (e) back of house computer, archival back-up systems and battery back-up systems, and (f) Internet access mode (for example, form of telecommunications connection) and speed (together, including the POS System, the **"Computer System"**).

We have the right to develop or have developed for us, or to designate computer software programs and accounting system software that you must use in connection with the Computer System and POS System (the **"Required Software"**).

You must enter into contracts for the maintenance, support, upgrades and updates to the Computer System, the POS System and the Required Software with approved suppliers described in the Manuals. (Section 8.A. of the Franchise Agreement).

You must maintain the Computer System and POS System in good working order at all times, and upgrade or update the computer hardware and software during the term of the Franchise Agreement, as we may require.

The Computer System must be capable of connecting with our computer systems. You must maintain a high-speed Internet connection (including e-mail capabilities) and participate in our mandated management information system, which allows us to communicate with you, and poll and review the results of your Restaurant's operations, including (without limitation) sales data, consumer trends, food and labor costs, and other financial and marketing information. We may distribute this data on a confidential basis to our network of franchisees. (Section 8.B and 8.C of the Franchise Agreement). You must purchase the POS System from the designated POS provider.

Our current POS provider is Revel Systems, Inc. We estimate that the cost of the POS System will be approximately $9,000 to $15,000 depending on the size of your Restaurant and the number of terminals that you require.

We and our affiliates are not obligated to provide ongoing maintenance, repairs, upgrades or updates. Revel will provide ongoing support for your POS System for a monthly subscription fee of $400 to $600 monthly There is currently no other required maintenance for your system.

You must install any other hardware or software for the operation of the Restaurant that we may require in the future, including any enhancements, additions, substitutions, modifications, and upgrades. Specifically, we may require that you install and maintain systems that permit us to access and retrieve electronically any information stored in your computer systems, including information regarding your Restaurant's Gross Sales and profit and loss data, at the times and in the manner we specify. There is no contractual limitation on the frequency or cost of these obligations. We may also require you to license from us, or others we designate, any computer software we develop or acquire for use by Restaurants.

At the earlier of expiration or termination of your Franchise Agreement, or voluntary or involuntary permanent closure of your Restaurant, you are required to delete from the Computer System and POS System any proprietary information, including but not limited to menus, recipes, inventory and pricing. If you fail to comply with this obligation, we have the right to perform such obligations on your behalf, including by contacting the vendor that services the Computer System and POS System to disable your access and/or by physically seizing control and possession of the Computer System or POS System to perform such obligations on your behalf. You may not obtain administrative super-user rights to the POS System.

You must participate in the Tin Drum Asian Kitchen intranet system. You must participate in the mobile application and online ordering service. We also reserve the right in the future to require you to install and/or utilize, at your sole cost, a learning management system meeting our standards.

We may charge a Technology Fee that is up to $900 per month as described in Item 6. We do not currently charge a Technology Fee.

Except as described above (a) neither we, our affiliates, nor any third parties are required to provide ongoing maintenance, repairs, upgrades, or updates to your computer system; and (b) there are no optional or required maintenance/upgrade contracts for the point-of-sale or computer system.

Typical Length of Time Before You Open Your Restaurant

The typical length of time between the signing of the Franchise Agreement and the opening of the Restaurant is 6 to 12 months Factors affecting this range include site acquisition, lease negotiation and construction timetable. You must obtain your site within 6 months from the time you sign the Franchise Agreement, and must be open for business within 6 months of the date you obtain your site. If you sign a Development Agreement, the schedule indicated in the Development Agreement will apply with respect to each Restaurant's opening requirements.

ITEM 12. TERRITORY

Franchise Agreement

You will operate the Restaurant at a specific location that we approve with a protected territory based on the geographic area and population properties within that territory and other relevant demographic characteristics (the **"Protected Area"**).

The scope of the area will likely differ among franchisees, and will be determined by population density and demographics, and geographical and political boundaries. As a general rule, the Protected Area will include an area that is approximately two miles from your approved location. Your Protected Area may be less than two miles from your approved location if your Restaurant is in an urban area or an area with high non-resident traffic.

If the location for your Restaurant has not been approved at the time you sign the Franchise Agreement, as is typically the case, we will provide a Designated Area within which the Restaurant is to be located. The Designated Area for your Restaurant will be inserted into the Franchise Agreement before you sign the Franchise Agreement. The Designated Area is delineated for the sole purpose of site selection and does not confer any territorial exclusivity or protection. If the location of your Restaurant is known when the Franchise Agreement is executed, it will be specified in the Franchise Agreement. If your location is not known at signing, your Protected Area will be determined by us after your site has been determined.

You will not receive an exclusive territory under the Franchise Agreement. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. If we or our affiliates have competitive brands, you may face competition from these other brands inside or outside your Protected Area.

Except as provided below, we will not operate, or franchise any entity to operate, a Restaurant within the Protected Area. Although you will have a Protected Area, we retain the right, on any terms we deem advisable, and without granting you any rights:

1. to own, franchise, acquire, operate and license to others to operate a Restaurant at any location outside of the Protected Area, regardless of the proximity to your Restaurant (even if there may be some impact to your Restaurant or if the Restaurant competes with you);

2. to own, franchise, acquire, operate and license to others to operate businesses using the Boba TDAK mark or similar marks and/or selling Specialty Beverages at any location regardless of the proximity to your Restaurant (even if there may be some impact to your Restaurant and even if these businesses compete with you);

3. to use any proprietary marks or systems (including the Marks and System) to sell any products, including products that are the same or similar to those which you will sell through any alternative channels of distribution within or outside of the Protected Area, regardless of their proximity to your approved location or their impact on your Restaurant. This includes, but is not limited to, grocery stores, convenience stores, club stores, other retail outlets, direct marketing sales, and other channels of distribution such as television, direct mail, mail order, catalog sales, telemarketing, or over the Internet. We exclusively reserve the Internet, including computerized or remote entry ordering systems, as a channel of distribution for us, and you may not independently market on the Internet or conduct e-commerce unless you have received our prior written permission or unless such activities are expressly authorized by the Manual;

4. to own and operate, and license others to own and operate, businesses that sell similar products and/or services under different trade names or trademarks other than the Marks;

5. to acquire, or be acquired by, any competing system, including a competing system that has one or more locations within your Protected Area; and

6. to own and operate, and license others to own and operate, Restaurants at Reserved Facilities within your Protected Area. "**Reserved Facilities**" refers to enclosed shopping centers, universities, captive audience facilities (such as parks charging admission, stadiums, and amusement parks), special purpose facilities (such as airports, transportation centers, and hospitals), and limited access facilities (such as military complexes, buyer's club businesses, educational facilities, and business/industrial complexes).

The territorial rights granted to you are not dependent on your achievement of a certain sales volume, market penetration, or other contingency.

We may establish policies regarding your off-site marketing and promotion, and catering and delivery services, which will be set forth in the Manuals or otherwise in writing. Currently, we recommend, but do not require, that you offer catering. You cannot offer delivery service without our prior approval.

Currently, you may solicit customers and advertise your Restaurant anywhere you choose. There are no restrictions on you, any of our other franchisees, any of our affiliates, or us to prevent any soliciting or advertising in another franchisee's Protected Area. No party is obligated to pay compensation to any other party for soliciting customers from the other party's Protected Area.

The location of your Restaurant may be changed only with our prior written consent and upon the following conditions: (a) you are in good standing under your Franchise Agreement and current in your financial obligations to us and our affiliates; (b) you are in good standing under the lease for the current location; (c) you provide us with a financial statement covering the previous 12 months; (d) you provide us with a copy of the proposed lease for the new location; (e) you comply with required site selection and construction procedures; (f) the new location is constructed, furnished and equipped in accordance with our then-current design specifications and standards; (g) you give us 90 days' written notice of the proposed relocation; and (h) at our option, you enter into our then-current form of franchise agreement, including our then-current royalty rate, except that the term of the new franchise agreement will expire on the date of the prior franchise agreement and no new initial franchise fee will be required. The Restaurant must be open at the new location within 30 days of the closing of the prior location, unless we consent to a 30-day extension.

If, through no fault of your own, you lose possession of the premises due to an event of force majeure, we will allow you to relocate the Restaurant to another location, which we must approve within 60 days of the event of force majeure. You must reopen for business at the new location within five months after we approve the location, and we may charge you an agreed minimum royalty fee during the period in which the Restaurant in not in operation.

Under the Franchise Agreement, you have no right of first refusal or similar rights to acquire additional franchises or establish additional Restaurants. If we grant you an additional franchise, you must enter into a separate Franchise Agreement with us.

Neither we, nor any affiliates, operate, franchise, or have plans to operate or franchise a business under a different trademark selling goods or services similar to those you offer.

Development Agreement

We offer qualified candidates the right to obtain a development territory (the **"Development Territory"**) if they commit to develop four or more Restaurants under the Development Agreement. Under the Development Agreement, developers must open and operate a specified number of Restaurants according to a schedule described in the Development Agreement in the Development Territory. Your territorial protections in the Development Territory are the same as your territorial protections in the Protected Area under the Franchise Agreement that you sign concurrently with the Development Agreement.

Except as described above, we do not generally grant options, rights of first refusal or similar rights to acquire additional franchises.

ITEM 13. TRADEMARKS

Pursuant to the terms of the Franchise Agreement, we grant you the right and license to operate a Restaurant pursuant to the System and using the Marks and related names and marks that may be developed in the future and used as part of the System.

The following are our principal Marks, which are registered on the Principal Register of the United States Patent and Trademark Office (the **"USPTO"**):

TRADEMARK	REGISTRATION NUMBER	REGISTRATION DATE
TIN DRUM ASIAN KITCHEN and Design	5106260	December 20, 2016
TIN DRUM ASIAN KITCHEN and Design	5106259	December 20, 2016
TIN DRUM ASIAN KITCHEN	5106258	December 20, 2015
TIN DRUM and Design	4684728	February 10, 2015
	4012478	August 16, 2011
THE STREETS OF ASIA IN YOUR BOWL!!!	4331566	May 7, 2013

All required affidavits have been filed for the registered trademarks. We intend to renew the registrations and file all appropriate affidavits for the marks at the times required by law.

We do not have a federal registration for the following Marks. Therefore, these Marks do not have many legal benefits and rights as a federally-registered trademark. If our right to use the following Marks is challenged, you may have to change to an alternative trademark, which may increase your expenses. An application for registration on the Principal Register of the United States Patent and Trademark Office has been filed for the following:

TRADEMARK	APPLICATION DATE	SERIAL NUMBER
BOBA TDAK	June 2, 2021	90749871

You must use all names and marks in full compliance with provisions of the Franchise Agreement and in accordance with the rules we periodically prescribe. You may not use any name or mark as a part of any legal name or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed by us to you). In addition, you may not use any name or mark for the sale of any unauthorized product or services, or in any other manner not explicitly authorized in writing by us.

There is no currently effective material determination 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 principal trademarks.

There are no agreements currently in effect which significantly limit our rights to use or license the use of the trademarks, service marks, trade names, logotypes or other commercial symbols in any manner material to the Restaurant.

If there is any infringement of, or challenge to, your use of any name, mark or symbol, you must immediately notify us, and we will have the sole discretion to take any action as we deem appropriate, in order to fulfill our obligation to preserve and protect the ownership, identity and validity of the Marks. We are not obligated to protect your rights in the Marks, nor are we obligated to indemnify you for losses associated with any infringement of, or challenge to, our rights in the Marks. If it becomes advisable at any time, in our sole discretion, to modify or discontinue the use of any name or mark and/or use one or more additional or substitute names or marks, you must pay for the tangible costs (such as replacing signs and materials) associated with a change.

We are not obligated to participate in your defense and/or indemnify you for expenses or damages if you are party to an administrative or judicial proceeding involving the Marks if the proceeding is resolved unfavorable to you.

You may not contest, directly or indirectly, our ownership, title, right or interest in any of our names or marks, trade secrets, methods, procedures, and advertising techniques which are part of the System, or contest our sole right to register, use or license others to use such names, marks, trade secrets, methods, procedures, or techniques.

We do not actually know of either superior or infringing uses that could materially affect your use of such trademarks, service marks, trade names, logotypes or other commercial symbols in this state or any state in which a Restaurant is to be located.

ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any patents that are material to the franchise. We do claim copyright protection and proprietary rights to the confidential information contained in our Manuals. The Manuals are described in **Item 11**. We claim common law copyrights on our operational materials and on other proprietary materials specifically created by us in connection with the System, including the proprietary advertisements, all of our materials presented to your prospective customers, printed materials, and forms used in connection with the operation of a Restaurant. The Manuals and other proprietary materials have not been registered with any copyright office, but we reserve the right to register these copyrights in the future.

There currently are no effective determinations of the Copyright Office (Library of Congress) or any court regarding any of the copyrighted materials. Nor are there any agreements currently in effect that significantly limit our right to use or authorize franchisees to use the copyrighted materials. Furthermore, there are no infringing uses actually known to us that could materially affect a franchisee's use of the copyrighted materials in any state.

We have proprietary rights to the contents of the Manuals and to all other materials and information we create or use in the development and operation of the System. These items include, but are not limited to, our training materials, marketing programs, site selection criteria, plans and specifications for Restaurant, standards, methods, procedures, newsletters, policies, strategies, expansion plans, supplier lists, supplier price lists, buying strategies, advertising strategies, and all other materials, goods and information we create or use and designate as confidential. They also include items one would deem reasonably confidential, even if we do not expressly designate them as confidential. We refer to this material as **"Confidential Information."** We claim trade secret protection in the recipes that are a part of the System.

You must not, during the term of the Franchise Agreement and after the term ends, communicate, divulge, or use for the benefit of any other party any confidential information, knowledge, know-how, or techniques concerning our secret recipes or methods of operation of the Restaurant that you learned while you were our franchisee. You may divulge Confidential Information only to your employees who need the information to operate your Restaurant. All information, knowledge, know-how and techniques that we designate confidential will be deemed confidential, except information that you can demonstrate came to your attention before we disclosed it to you, or which after we disclosed it to you became a part of the public domain through publication or communication by others. You must not at any time, without our prior written consent, make available in any way any of these materials or information to any unauthorized person.

You must also promptly tell us when you learn about unauthorized use of this proprietary information. We are not obligated to take any action but will respond to this information as we deem appropriate. We will not indemnify you for losses brought by a third party concerning your use of this information.

If you develop any new concept, process or improvement in the operation or promotion of your Restaurant, you must promptly notify us and give us all necessary information about the new process or improvement, without compensation. You agree that any of these concepts, processes or improvements will become our property, and we may use or disclose them to other franchisees, as we deem appropriate.

You must conduct your business in accordance with the Manuals. We will loan you a copy of the Manual for the term of the Franchise Agreement. You must at all times treat the Manuals, and other manual, videotape, and other materials created for, or approved for, use in the operation of your Restaurant, and all information in them, as confidential, and must use all reasonable efforts to maintain the information as secret and confidential. The Manuals will at all times remain our sole property. You must keep your copy of the Manuals current and up-to-date.

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

You are not required to participate personally in the direct operation of your business. However, we recommend that you participate.

You must designate a **"General Manager",** who may be your Operating Principal, and who shall have the day-to-day management responsibility for the Restaurant. You must inform us in writing as to the identity of the General Manager, including any additional or replacement General Manager. Each General Manager must successfully complete the training programs specified by us. If the General Manager ceases active management of the Restaurant, a replacement General Manager must be trained according to our standards and, if required by us, attend the Initial Training Program.

If you are an entity, you must designate one of your owners as your **"Operating Principal"** under your Franchise Agreement. Your Operating Principal is the executive primarily responsible for the Restaurant. Your Operating Principal must have and maintain at least 5% ownership of the Restaurant and have decision-making authority about the Restaurant. We must approve your Operating Principal, and you must designate a qualified replacement from among your owners if your Operating Principal can no longer fulfill its responsibilities under the Franchise Agreement.

You must obtain covenants against the use and disclosure of any confidential information and covenants not to compete from your owners, managers and any other employees or agents who have received or will have access to our training or Confidential Information. All of the required covenants must be in substantially the form of Nondisclosure and Noncompetition Agreement attached as **Exhibit G** to this Disclosure Document.

Each present and future owner of the Restaurant must jointly and severally guaranty your obligations and be personally bound by each term of the Franchise Agreement and Development Agreement. We may also require guarantees from the family of an entity owner including spouse or domestic partner, and any entities controlled in the aggregate by any of these individuals. Our current form of Owners' Guaranty appears as the last page of the Franchise Agreement and the Development Agreement.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale all menu items, goods and services that we require, in compliance with our standards and specifications. These are described in our Manuals and other writings, as they may be updated periodically. You must display all product and items for sale on your menu in accordance with menu labeling requirements and federal, state and local laws. You must use any off-site distribution methods we require, and you are not permitted to use other off-site distribution methods without our approval. Currently, we recommend that you offer catering and we authorize all franchisees to offer catering, additionally we may require it in the future. You may offer delivery service only with our specific approval.

Unless you obtain our prior written approval, you are prohibited from (a) offering or selling products or services not authorized by us; (b) using the premises of the Restaurant for any purpose not related to the Restaurant; and (c) soliciting other franchisees either directly or indirectly for any other business or investment activity.

You must prepare all menu items using the procedures for preparation contained in our Manuals or other written instructions, and all dishes must be sold immediately after their preparation. We have the right to add or delete items, products, merchandise or services and you must do the same on notice from us. There are no limits in our right to do so. There are no limitations imposed by us on the persons to whom you may provide products and services.

ITEM 17. RENEWAL, TERMINATION, TRANSFER & DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section In Franchise Agreement	Summary
a. Length of the franchise term	Section 2.A.	15 years.
b. Renewal or extension of the term	Section 2.B.	If you are in good standing and satisfy certain conditions, you may renew for one additional 10-year term.
c. Requirements for franchisee to	Section 2.B.	You must meet all required conditions to renewal, including signing our then-

Provision	Section In Franchise Agreement	Summary
renew or extend		current form of Franchise Agreement, which may be materially different than the form attached to this Disclosure Document, give us advance written notice; pay renewal fee; if required by us, remodel the business to our then-current brand image for new Restaurants; not be in default; be in compliance with all system requirements; satisfy all monetary obligations to us and suppliers; sign general release.
d. Termination by franchisee	None	Not Applicable
e. Termination by franchisor without cause	None	Not Applicable
f. Termination by franchisor with cause	Sections 14.A, 14.B., 14.C., and 14.D.	We can terminate only if you default.
g. "Cause" defined – curable defaults	Sections 14.A and 14.B. and 14.C.	You have 10 days to cure the following: fail to pay amounts owed to us or our affiliate when due; non-compliance with our product specifications or quality control standards; use of unapproved supplier, real estate broker, architect or general contractor; fail to offer required menu item or offer unapproved menu item; fail to maintain or observe health and sanitation procedures; non-compliance with standards and specifications in Manuals; failure to pay any vendors or suppliers; default by you (or your affiliate or owners) under any agreement with us (or our affiliate); refusal to permit inspection or audit of the Restaurant; failure to complete training; failure to provide certificates of insurance. You have 30 days to cure any other breach of the Franchise Agreement, except for non-curable defaults.
h. "Cause" defined – non-curable defaults	Section 14.C and 14.D.	Non-curable defaults include: material misrepresentation or omission; by entering this Franchise Agreement you violated any non-competition agreement by which you are bound; failure to acquire your Site or open the Restaurant for business by the specified deadlines; Restaurant ceases operation for 3 consecutive days without our prior approval; loss of possession of the Site; unauthorized relocation of the Restaurant; engaging in any violent or threatening act towards an employee, customer or any other person; any threat, danger or injury to health or safety of any person results from any act or failure to act by you (or any of your owners), or from the construction, maintenance or operation of the Restaurant; conviction by a trial court of, or plead no contest or guilty to, a crime or offense that is likely to have an adverse effect on the System or the Marks, or a felony; a material violation of the Franchise Agreement which by its nature cannot be cured; knowingly maintain false

Provision	Section In Franchise Agreement	Summary
		books or records, knowingly submit any false statements or information to us, or underreport Gross Sales by more than 5% for any week; if you or your Operating Principal loses the right to reside in the United States; failure to make payment when due on any loan to (or secured by) the Restaurant, and do not cure such non-payment within any applicable grace period; if a judgment is issued against you from any court that is not satisfied or properly appealed so that it is stayed from execution within 30 days of issuance; repeated violations of the Franchise Agreement; or misuse or unauthorized use of the Marks or otherwise materially impair the goodwill associated with the Marks or the System; insolvency, any general assignment for the benefit of creditors; bankruptcy; appointment of a receiver of or other custodian of your business or assets, or if a final judgment remains unsatisfied or of record for 30 days or longer (unless supersedes bond is filed), or if execution is levied against the Restaurant, or suit to foreclose any lien or mortgage against the Restaurant is instituted against you and not dismissed within 30 days, or if any substantial real or personal property of the Restaurant has been sold after levy is placed on it.
i. Franchisee's obligations on termination/ non-renewal	Section 15	Obligations include, among others: cease operating the Restaurant and using the Marks; de-identify; pay amounts due; return Manuals and other proprietary materials; close vendor accounts; promptly cancel all assumed name registrations; assign telephone numbers, domain names and listings to us or our designee; delete from the Computer System and POS System all proprietary information, and comply with confidentiality requirements and post-term restrictive covenants. If we terminate the Franchise Agreement for cause prior to expiration, you must pay us liquidated damages to compensate us for your failure to continue operating the business for the remainder of the term.
j. Assignment of contract by franchisor	Section 13.A.	No restriction on our right to assign as long as the transferee or assignee assumes our obligations under the Franchise Agreement.
k. "Transfer" by franchisee – defined	Section 13.B	Includes transfer of an interest in entity that owns the Restaurant, the Restaurant or the Franchise Agreement.
l. Franchisor approval of transfer by franchisee	Sections 13.B. and 13.C.	We have the right to approve all transfers (except that you may transfer the Restaurant to an entity you own and control).
m. Conditions for franchisor approval	Section 13.B.	You must pay transfer fee (and broker fees

Provision	Section In Franchise Agreement	Summary
of transfer		if applicable); transferee must meet standards for new franchisees; you must pay all amounts owed and not otherwise be in breach; you must sign all required documents including a transfer agreement containing a general release and transferee signs then-current form of franchise agreement which may contain materially different terms and conditions and owners sign guaranty; landlord approves of lease assignment or sublet; and if required by us you, you or the transferee must remodel the Restaurant to our then-current image for new Restaurants.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 13.D.	We can match any offer for sale of your business or any ownership interest in you.
o. Franchisor's option to purchase franchisee's business	Section 15.H.	We have the right to purchase any or all of the tangible assets of the Restaurant at your cost or fair market value, whichever is less, by written notice to you within 30 days after termination or expiration of the Franchise Agreement.
p. Death or disability of franchisee	Section 13.E.	The interest must be assigned to an approved transferee within nine months. The transfer is subject to our approval. If the transfer is to a family member of yours, then (i) we will approve the transfer so long as the family member meets our standards for new franchisees and completes our training, and (ii) the transfer will not be subject to our right of first refusal.
q. Non-competition covenants during the term of the franchise	Section 16.A.	You and your owners may not: (a) divert any business or customer to a competitor, or do or perform any act injurious or prejudicial to the goodwill of the Marks and System; (b) recruit or hire any person employed by us; (c) solicit other franchisees, nor use available lists of franchisees for any commercial purpose unrelated to the operation of the Restaurant; or (d) have any involvement or interest in a competitive business; or (e) authorize, assist or induce another to develop, open or operate a competitive business.
r. Non-competition covenants after the franchise is terminated or expires	Section 16.B.	You and your owners may not, for 2 years after expiration, termination, or transfer of the Franchise Agreement: (a) divert any business or customer to a competitor; (b) recruit or hire any person employed by us; (c) solicit other franchisees, nor use available lists of franchisees, for any commercial purpose; or (d) have any involvement or interest in a competitive business located within a 5- mile radius of the premises of the Restaurant or the location of any other Restaurant; or (e)

Provision	Section In Franchise Agreement	Summary
		authorize, assist or induce another to have any involvement or interest in a competitive business located within a 5-mile radius of the premises of the Restaurant or the location of any Restaurant.
s. Modification of the Agreement	Section 22.K	You must comply with the Manuals as amended. Franchise Agreement may not be modified unless mutually agreed to in writing.
t. Integration/merger clause	Section 22.K	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). No other representations or promises will be enforceable. Nothing in the Franchise Agreement or any related agreement is intended to disclaim our representations made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	Sections 18.C.	All disputes will be resolved by arbitration at the American Arbitration Association office located nearest our principal place of business (currently, Atlanta, Georgia), subject to applicable state law (except for injunctive relief and collection actions).
v. Choice of forum	Section 18.D.	For matters not subject to arbitration, the parties consent to venue in the federal or state courts in the county in which our principal place of business is located (currently, Fulton County in Georgia), subject to applicable state law. We reserve the right to seek injunctive relief and recovery for unpaid amounts owed to us in any court of competent jurisdiction, and to confirm or enforce judgments or awards in any appropriate jurisdiction.
w. Choice of law	Section 18.A.	Georgia law applies (subject to applicable state law).

Provision	Section In Development Agreement	Summary
a. Length of the term	Section 6.	The date that the last Restaurant must be open in accordance with the development schedule.
b. Renewal or extension of the term	None	Not Applicable
c. Requirements for franchisee to renew or extend	None	Not Applicable
d. Termination by developer	None	Not Applicable
e. Termination by franchisor without cause	None	Not Applicable
f. Termination by franchisor with cause	Section 7.	We can terminate only if you default.

Provision	Section In Development Agreement	Summary
g. "Cause" defined – curable defaults	Section 7.A.	You have 30 days within which to cure any default not listed in subsection (h) below.
h. "Cause" defined – non-curable defaults	Section 7.A.	You fail to open Restaurants in accordance with the development schedule or a default occurs under any Franchise Agreement between us and you (or your affiliates) beyond the applicable cure period.
i. Developer's obligations on termination/ non-renewal	None	Not Applicable
j. Assignment of contract by franchisor	Section 8.A.	No restriction on our right to assign.
k. "Transfer" by franchisee – defined	Section 8.B	Includes transfer of an interest in the entity that owns the development rights or the Development Agreement..
l. Franchisor approval of transfer by franchisee	Section 8.B.	We have the right to approve all transfers.
m. Conditions for franchisor approval of transfer	Section 8.B.	We may impose conditions on our consent, including, without limitation, that you concurrently transfer all Franchise Agreements relating to the Development Agreement.
n. Franchisor's right of first refusal to acquire developer's business	None	Not Applicable
o. Franchisor's option to purchase franchisee's business	None	Not Applicable
p. Death or disability of developer	None	Not Applicable
q. Non-competition covenants during the term	Section 9.A.	You and your owners may not: (a) divert any business or customer to a competitor, or do or perform any act injurious or prejudicial to the goodwill of the Marks and System; (b) recruit or hire any person employed by us; (c) solicit other franchisees, nor use available lists of franchisees for any commercial purpose unrelated to the operation of the Restaurant; or (d) have any involvement or interest in a competitive business; or (e) authorize, assist or induce another to develop, open or operate a competitive business.
r. Non-competition covenants after the agreement is terminated or expires	Section 9.B.	You and your owners may not, for 2 years after expiration, termination, or transfer of the Development Agreement: (a) divert any business or customer to a competitor; (b) recruit or hire any person employed by us; (c) solicit other franchisees, nor use available lists of franchisees, for any commercial purpose; or (d) have any involvement or interest in a competitive business located within a 5- mile radius of the location of any Restaurant; or (e) authorize, assist or induce another to have any involvement or interest in a competitive business

Provision	Section In Development Agreement	Summary
		located within a 5- mile radius of location of any Restaurant.
s. Modification of the Agreement	Section 11.M	The Development Agreement may not be modified unless mutually agreed to in writing.
t. Integration/merger clause	Section 11.M.	Only the terms of the Development Agreement and other related written agreements are binding (subject to applicable state law). No other representations or promises will be enforceable. Nothing in the Development Agreement or any related agreement is intended to disclaim our representations made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	Section 10.C.	All disputes will be resolved by arbitration at the American Arbitration Association office located nearest our principal place of business (currently, Atlanta, Georgia), subject to applicable state law (except for injunctive relief and collection actions).
v. Choice of forum	Section 10.D.	For matters not subject to arbitration, the parties consent to venue in the federal or state courts in the county in which our principal place of business is located (currently, Fulton County in Georgia), subject to applicable state law. We reserve the right to seek injunctive relief and recovery for unpaid amounts owed to us in any court of competent jurisdiction, and to confirm or enforce judgments or awards in any appropriate jurisdiction.
w. Choice of law	Section 10.A.	Georgia law applies (subject to applicable state law).

Please refer to the disclosure addenda and contractual amendments appended to this Disclosure Document for additional terms that may be required under applicable state law. These additional disclosures, if any, appear in an addendum or rider in **Exhibit H**. Please note, though, that if you would not otherwise be covered under those state laws by their own terms, then you will not be covered merely because we have given you an addendum that describes the provisions of those state laws.

ITEM 18. PUBLIC FIGURES

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

ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

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

Table 1 – Restaurant Characteristics

Table 1 includes information for all Restaurants in operation at any time from January 1, 2019 to March 31, 2021 (the **"Reporting Period"**). 11 Restaurants are included because they were open for all or a portion of the Reporting Period (the **"Reporting Group"**). Five Restaurants in the Reporting Group are franchised Restaurants (the **"Franchise Restaurants"**) and six are affiliate owned Restaurants (the **"Affiliate Restaurants"**).

Table 1 and the notes that follow provide general information on Restaurant characteristics in the Reporting Group that may have an impact on the financial performance of these Restaurants. Specifically, as noted below:

- Only Restaurant 22 has adopted the New Prototype. Restaurants 13, 15, 16 and 18 are significantly smaller than the New Prototype. New Franchise Restaurants are expected to use the New Prototype.

- Certain Restaurants were not open for the entire Reporting Period. Restaurant 17 permanently closed in 2019. Other Restaurants were closed temporarily due to COVID 19 and/or remodeling, as indicated in the notes below.

- In addition, the New Menu was adopted by different Restaurants at different times, as noted below.

- The vast majority of the Restaurants have not added Specialty Beverages as of the date of this Disclosure Document.

Table 1 – Type, Year Open, Square Footage and Seating				
Restaurant #	**Type**	**Year Open**	**Size**	**Seating**
01	Affiliate Restaurant	2003	2,200 square feet	62 seats
02	Franchise Restaurant	2005	2,200 square feet	65 seats
03	Franchise Restaurant	2006	2,200 square feet	65 seats
06	Affiliate Restaurant	2008	2,400 square feet	60 seats
13	Franchise Restaurant	2014	1,800 square feet	50 seats
15	Franchise Restaurant	2015	1,875 square feet	48 seats
16	Franchise Restaurant	2015	1,500 square feet	48 seats
17	Franchise Restaurant	2017	2,145 square feet	62 seats
18	Affiliate Restaurant	2016	1,800 square feet	40 seats

21	Franchise Restaurant	2018	2,000 square feet	60 seats
22	Affiliate Restaurant	2019	2,000 square feet	67 seats

1. **Restaurant 01 (Affiliate Restaurant):** Restaurant 01 was the first Tin Drum Asian Kitchen Restaurant opened by our founder, Steven Chan, in 2003. It is located near a university campus in Atlanta, Georgia, and because of this location, was particularly impacted by COVID 19. This Restaurant was also in need of extensive renovations which were originally scheduled for 2020. It was closed in March 2020 and reopened in May 2021.

2. **Restaurant 02 (Franchise Restaurant):** Restaurant 02 is located in a suburban area of metro-Atlanta, Georgia and opened in 2005. It commenced offering the New Menu in August 2019.

3. **Restaurant 03 (Franchise Restaurant):** Restaurant 03 is located in Atlanta, Georgia and opened in 2006. It commenced offering the New Menu in August 2019.

4. **Restaurant 06 (Affiliate Restaurant):** Restaurant 06 is located in a suburban area of metro-Atlanta, Georgia and opened in 2008. It commenced offering the New Menu in May 2020.

5. **Restaurant 13 (Franchise Restaurant):** Restaurant 13 is located in a suburban area of metro-Atlanta, Georgia, opened in 2014 and is significantly smaller than the New Prototype. It commenced offering the New Menu in May 2020 and Specialty Beverages in April 2021.

6. **Restaurant 15 (Franchise Restaurant):** Restaurant 15 is located in Atlanta, Georgia, opened in 2015 and is significantly smaller than the New Prototype. It commenced offering the New Menu in August 2021.

7. **Restaurant 16 (Franchise Restaurant):** Restaurant 16 is located in a suburban area of metro-Atlanta, Georgia, opened in 2015 and is significantly smaller than the New Prototype. It was sold and became a Franchise Restaurant in September 2020; it was closed in 2020 for approximately five months in 2020 due to COVID 19 and prior to the sale. It commenced offering the New Menu in August 2020.

8. **Restaurant 17 (Franchise Restaurant):** Restaurant 17 was located in a suburban area of metro-Atlanta, Georgia and opened in 2017. It closed in August 2019.

9. **Restaurant 18 (Affiliate Restaurant):** Restaurant 18 is located in a suburban area of metro-Atlanta, Georgia, opened in 2016 and is significantly smaller than the New Prototype. It commenced offering the New Menu in May 2020.

10. **Restaurant 21 (Franchise Restaurant):** Restaurant 21 opened as an Affiliate Restaurant in a suburban area of metro-Atlanta, Georgia in 2018. It was sold and became a Franchise Restaurant in 2020. It commenced offering the New Menu in August 2019.

11. **Restaurant 22 (Affiliate Restaurant):** Restaurant 22 opened in January 2019 in a suburban area of metro-Atlanta, Georgia in January 2019. It is the pilot location for the New Prototype, which is described further in **Item 1.** It commenced offering the New Menu upon opening in January 2019 and added Specialty Beverages in November 2020.

Table 2 – Net Revenue

Table 2 provides Net Revenue for the Reporting Group in 2019, 2020 and 2021 (Q1). The following table and accompanying footnotes contain a historical financial performance representation.

Table 2 – All Restaurants – 2019, 2020 and 2021 (Q1) Net Revenue(1)(2)			
Restaurant #	**Net Revenue 2019**	**Net Revenue 2020**	**Net Revenue 2021 (Q1)**
01	$874,517	$187,025(3)	0(3)
02	$1,103,016	$927,855	$286,555
03	$1,068,077	$964,393	$279,261
06	$997,970	$1,024,223	$343,327
13	$694,765	$709,880	$218,450
15	$390,303	$559,059	$193,990
16	$580,468	$382,732(4)	$193,759
17	$297,348(5)	0(5)	0(5)
18	$788,252	$910,493	$290,081
21	$620,791	$601,346	$181,231
22	$849,341	$1,293,490	$483,577

Table 2 does not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit.

1. **"Net Revenue"** means all revenue related to the sale of products and performance of services at the Restaurant, whether for cash or credit, and regardless of collection in the case of credit, and income of every kind or nature related to the Restaurant, less any discounts. Net Revenue does not include (i) bona fide refunds to customers, (ii) sales taxes or other add-on taxes actually transmitted to the appropriate taxing authority, (iii) sales of used equipment not in the ordinary course of business, and (iv) sales of gift cards or similar products (but the redemption of any such card or product is included in Net Revenue).

2. From approximately March 15, 2020 to May 20, 2020, Net Revenue was seriously impacted by COVID 19 resulting in lower Net Revenue for 2020.

3. Restaurant 01 was closed in March 2020 due to COVID 19 and scheduled remodeling. It reopened in May 2021.

4. Restaurant 16 was closed for five months during 2020 due to COVID 19.

5. Restaurant 17 permanently closed in August 2019.

Tables 3A-3C – Affiliate Restaurants – Profit and Loss

Tables 3A-3C provides profit and loss information for all Affiliate Restaurants in the Reporting Group for fiscal years 2019 and 2020 and 2021 (Q1). This does not include profit and loss information for Franchise Restaurants because this information was either not available, or, if available, we believe that it may not be reliable.

Table 3A – Affiliate Restaurants - 2019 Profit and Loss				
	Restaurant 01 (Affiliate Location) (1)	**Restaurant 06 (Affiliate Location)**	**Restaurant 18 (Affiliate Location)**	**Restaurant 22 (Affiliate Location)**
Net Revenue(2)	874,517	997,970	788,252	849,341
COGS	268,015	259,269	220,153	270,855
Rent	96,545	105,604	63,439	99,483
Payroll	312,541	329,372	259,302	275,093
Owner's Salary(3)	-	-	-	-
Royalties(4)	-	-	23,817	29,669
Advertising/Marketing(5)	22,061	25,369	22,943	16,241
Utilities	29,807	15,629	19,925	20,723
Insurance	4,721	4,721	12,139	12,139
Supplies	16,185	14,619	32	2,099
Professional Fees	15,644	15,644	2,295	2,878
POS Service Fee	2,040	2,220	2,340	2,340
Miscellaneous expenses(6)	90,044	80,808	30,539	43,351
Total Operating Expenses(7)	857,603	853,255	656,924	774,871
Net Profit(8)	16,914	144,715	131,328	74,470
Franchise Related Adjustments - Royalties(9)	56,844	64,868	27,419	25,538
Franchise Related Adjustments - Advertising(10)	-	-	-	4,993
Franchise Related Adjustments – Technology Fee(11)	4,800	4,800	4,800	4,800

Adjusted Profit	(44,730)	75,047	99,109	39,139

Table 3A – Affiliate Restaurants - 2020 Profit and Loss				
	Restaurant 01 (Affiliate Location) (1)	**Restaurant 06 (Affiliate Location)**	**Restaurant 18 (Affiliate Location)**	**Restaurant 22 (Affiliate Location))**
Net Revenue(2)	187,025	1,024,232	910,493	1,293,490
COGS	61,494	263,619	291,123	409,232
Rent	38,304	94,016	59,563	104,809
Payroll	65,152	288,310	277,702	370,084
Owner's Salary(3)	-	-	-	-
Royalties(4)	-	-	-	-
Advertising/Marketing(5)	4,291	25,356	17,081	24,824
Utilities	16,998	16,540	24,784	17,959
Insurance	6,013	6,013	9,664	9,462
Supplies	6,875	26,808	136	2,035
Professional Fees	14,796	15,330	4,945	2,220
POS Service Fee	2,040	2,220	2,340	2,940
Miscellaneous expenses(6)	51,686	102,302	41,805	54,939
Total Operating Expenses(7)	267,649	840,514	752,734	1,031,408
Net Profit(8)	(80,624)	183,718	157,759	262,082
Franchise Related Adjustments - Royalties(9)	12,157	66,575	35,591	51,173
Franchise Related Adjustments - Advertising(10)	385	250	5,681	7,513

Franchise Related Adjustments – Technology Fee(11)	1,600	4,800	4,800	4,800
Adjusted Profit	(94,766)	112,093	111,687	198,596

A noted above, from approximately March 15, 2020 to May 20, 2020, Net Revenue for 2020 was seriously impacted by COVID 19.

Table 3A – Affiliate Restaurants - 2021 (Q1) Profit and Loss				
	Restaurant 01 (Affiliate Location) (1)	**Restaurant 06 (Affiliate Location)**	**Restaurant 18 (Affiliate Location)**	**Restaurant 22 (Affiliate Location)**
Net Revenue(2)	-	343,327	290,081	483,577
COGS	2,663	83,683	95,415	159,694
Rent	31,304	35,533	16,183	28,467
Payroll	4,242	70,959	73,157	127,368
Owner's Salary(3)	-	-	-	-
Royalties(4)	-	-	9,304	14,298
Advertising/Marketing(5)	378	8,340	5,997	9,127
Utilities	1,699	4,288	6,352	4,854
Insurance	1,521	1,521	8,093	899
Supplies	10,465	10,829	-	1,184
Professional Fees	1,785	20,079	1,056	510
POS Service Fee	510	555	585	735
Miscellaneous expenses(6)	18,807	34,358	13,485	24,904
Total Operating Expenses(7)	73,374	270,145	229,627	372,040
Net Profit(8)	(73,374)	73,182	60,454	111,537
Franchise Related Adjustments - Royalties(9)	-	22,316	9,551	17,135

Franchise Related Adjustments - Advertising(10)		243	1,255	2,962
Franchise Related Adjustments – Technology Fee(11)		1,200	1,200	1,200
Adjusted Profit	(73,374)	49,423	48,448	90,240

Tables 3A- 3C Notes:

1. Restaurant 01 was closed in March 2020 due to COVID 19 and scheduled remodeling. It reopened in May 2021.

2. **"Net Revenue"** means all revenue related to the sale of products and performance of services at the Restaurant, whether for cash or credit, and regardless of collection in the case of credit, and income of every kind or nature related to the Restaurant, less any discounts. Net Revenue does not include (i) bona fide refunds to customers, (ii) sales taxes or other add-on taxes actually transmitted to the appropriate taxing authority, (iii) sales of used equipment not in the ordinary course of business, and (iv) sales of gift cards or similar products (but the redemption of any such card or product will be included in Net Revenue).

3. We have presented owner's salary as a separate line item.

4. Certain Affiliate Restaurants pay a reduced Royalty Fee or no Royalty Fee.

5. Includes National Marketing Fees and local advertising cooperative fees.

6. Miscellaneous expenses include items such as repairs, payroll processing, credit card processing, waste removal, uniforms, and small tools and equipment. Expenses do not include does not include interest, depreciation, amortization, business taxes, and other costs and expenses that must be deducted from Net Revenue figures to obtain net income.

7. **"Total Operating Expenses"** include the following operating expenses: rent, payroll (including payroll taxes), owner's salary, Royalties, advertising/marketing, utilities, insurance, supplies, professional fees, and miscellaneous expenses.

8. **"Net Profit"** means Net Revenue less Total Operating Expenses.

9. We have adjusted the Net Profit figure for the Affiliate Restaurants to reflect the difference in Royalty Fees that franchised Tin Drum Asian Kitchens will pay (the **"Franchise Related Adjustments - Royalties"**). The illustrative adjustment of adding Royalty Fees at the current rate of 6.5% of Gross Sales in the table above presents financial projections.

10. We have adjusted the Net Profit figure for the Affiliate Restaurants to reflect the difference in advertising fees and required advertising expenditures that franchised Tin Drum Asian Kitchens must pay (the **"Franchise Related Adjustments - Advertising"**). The illustrative adjustment of adding advertising fees/expenditures at the current rate of 2.5% of Gross Sales in the table above presents financial projections. See Item 6 for more information regarding required advertising fees and expenditures.

11. We have adjusted the Net Profit figure for the Affiliate Restaurants to reflect the difference in fees that franchised Tin Drum Asian Kitchens may be required to pay associated with the Technology Fee (the **"Franchise Related Adjustments – Technology Fee"**). We have the right to require that you pay use a reasonable Technology Fee up to $900 per month for the use of technology as disclosed in Item 6. We do not currently charge this fee, however, we have added the amount of $400 per month for illustrative purposes. The illustrative adjustment of adding Technology Fees at the rate of $400 per month in the table above presents financial projections. The Franchise Related Adjustments – Royalties, Franchise Related Adjustments – Advertising and Franchise Related Adjustments – Technology Fee are referred to collectively as the **"Franchise Related Adjustments."**

Tables 3A-3C and accompanying footnotes contain a historical financial performance representation, with the exception of the Franchise Related Adjustments and Adjusted Profit, as further described in Notes 9, 10 and 11 above.

You should conduct an independent investigation of the costs and expenses you will incur in operating your Restaurant. Franchisees or former franchisees, listed in the Disclosure Document, may be one source of this information.

* * * * * * * * * * * * * *

The financial information provided above has not been audited.

We have not made any permanent, material changes to the Tin Drum Asian Kitchen concept as a result of COVID 19.

Written substantiation for the financial performance representation will be made available to prospective franchisees upon reasonable request.

Some outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.

Other than the preceding financial performance representation, we do not make any financial performance representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Steven Chan, our President at 1299 Battle Creek Road, Unit 110, Jonesboro, Georgia 30236 and (404) 518-1799, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For Years Ending December 30, 2018, December 29, 2019, and December 27, 2020

Type	Year	Outlets at Start of Year	Outlets at End of Year	Net Change
Franchised	2018	4	5	+1
	2019	5	7	+2
	2020	7	8	+1
Affiliate-Owned	2018	5	5	0
	2019	5	3	-2
	2020	3	2	-1
Total Outlets	**2018**	**9**	**10**	**+1**
	2019	**10**	**10**	**0**
	2020	**10**	**10**	**0**

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor) For Years Ending December 30, 2018, December 29, 2019, and January 3, 2021

State	Year	Number of Transfers
Georgia	2018	0
	2019	0
	2020	1
Total	**2018**	**0**
	2019	**0**
	2020	1

Table No. 3
Status of Franchised Outlets
For Years Ending For Years Ending December 30, 2018, December 29, 2019, and January 3, 2021

State	Year	Outlets at the Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Georgia	2018	4	1	0	0	0	0	5
	2019	5	3(1)	1	0	0	0	7
	2020	7	1(2)	0	0	0	0	8
Total	**2018**	**4**	**1**	**0**	**0**	**0**	**0**	**5**
	2019	**5**	**3(1)**	1	**0**	**0**	**0**	**7**
	2020	**7**	1(2)	**0**	**0**	**0**	**0**	**8**

(1) One new franchised unit opened in 2019; Franchise Agreements for two existing affiliate-owned units that were sold to franchisees were signed during 2019.

(2) Refers to a Franchise Agreement for an affiliate-owned unit that was sold to a franchisee during 2020.

Table No. 4
Status of Affiliate-Owned Outlets
For Years Ending December 30, 2018, December 29, 2019, and January 3, 2021

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Georgia	2018	5	0	0	0	0	5
	2019	5	0	0	0	2	3
	2020	3	0	0	0	1	1
Totals	**2018**	**5**	**0**	**0**	**0**	**0**	**5**
	2019	**5**	**0**	**0**	**0**	**2**	**3**
	2020	**3**	**0**	**0**	**0**	**1**	**2**

Table No. 5
Projected Openings as of January 3, 2021

State	Franchise Agreements Signed But Outlet Not Opened(1)	Projected New Franchised Outlet In the Next Fiscal Year (2020)	Projected New Company-Owned Outlet In the Next Fiscal Year (2020)
Georgia(1)	1	1	0
Texas(1)	5	1	0
Totals	6	2	0

(1) Includes franchises contemplated to be opened under Development Agreements for the Central Houston Market and Atlanta, Market.

Exhibit I attached to this Disclosure Document lists the names of all current franchisees with their business address and business telephone number as of the issuance date of this Disclosure Document.

The name, city, state, and current business telephone number (or, if unknown, the last known home telephone number) of the franchisees who had an outlet terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during the most recently completed fiscal year, or has not communicated with us within 10 weeks of the issuance date of this Disclosure Document, are listed on **Exhibit I**.

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

We have no current or former franchisees who have signed provisions during the last 3 fiscal years restricting their ability to speak openly to you about their experience with the System.

As of the date of this Disclosure Document, there are no franchisee organizations sponsored or endorsed by us and no independent franchisee organizations have asked to be included in this Disclosure Document.

ITEM 21. FINANCIAL STATEMENTS

Our audited financial statements the years ended January 3, 2021, December 29, 2019 and December 30, 2018, are attached as **Exhibit J** to this Disclosure Document. Also attached as **Exhibit J** to this Disclosure Document are our balance sheet as of May 30, 2021 and profit and loss statement from January 3, 2021 to May 30, 2021. These interim financial statements have been prepared without an audit; no certified public accountant has audited these figures or expressed his or her opinion with regard to their content or form.

ITEM 22. CONTRACTS

Copies of the following forms, contracts and/or agreements are attached as exhibits to this Disclosure Document:

Exhibit B	Franchise Agreement (with attachments)
Exhibit C	Development Agreement
Exhibit D	Pre-Authorized Bank Form
Exhibit E	Addendum to Lease Agreement/Conditional Assignment of Lease
Exhibit G	Nondisclosure and Noncompetition Agreement
Exhibit K	Netsurion Agreement
Exhibit L	Franchisee Disclosure Questionnaire
Exhibit M	Receipts

ITEM 23. RECEIPTS

You will find 2 copies of a detachable Receipt in **Exhibit M** at the end of the Disclosure Document. One Receipt must be signed, dated and delivered to us. The other Receipt should be retained for your records.

EXHIBIT A TO THE DISCLOSURE DOCUMENT

STATE AGENCIES AND ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of the franchise laws. There may be states in addition to those listed below in which we have appointed an agent for service of process. There also may be additional agents appointed in some of the states listed below.

Our registered agent in the State of Georgia is:

Steven Chan
WeWork
1155 Perimeter Center West
Suite 1100
Atlanta, GA 30338

STATE	STATE REGULATORY AGENCY	AGENT TO RECEIVE PROCESS IN STATE, IF DIFFERENT THAN THE STATE REGULATORY AGENCY
California	Department of Financial Protection and Innovation *Los Angeles* 320 West 4th Street Suite 750 Los Angeles, CA 90013-2344 (866-275-2677 (213) 576-7500 *Sacramento* 2101 Arena Blvd Sacramento, CA 95834 (916) 445-7205 *San Diego* 1350 Front Street, Room 2034 San Diego, CA 92101-3697 (619) 525-4233 *San Francisco* One Sansome Street, Suite 600 San Francisco, CA 94104-4428	
Hawaii	Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities P.O. Box 40 Honolulu, Hawaii 96810 (808) 586-2744	Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813
Illinois	Franchise Bureau Office of Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	
Indiana	Franchise Section Indiana Securities Division Secretary of State Room E-111 302 W. Washington Street Indianapolis, Indiana 46204 (317) 232-6681	
Maryland	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-7042	Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020

STATE	STATE REGULATORY AGENCY	AGENT TO RECEIVE PROCESS IN STATE, IF DIFFERENT THAN THE STATE REGULATORY AGENCY
Michigan	Michigan Attorney General's Office Consumer Protection Division Attn: Franchise Section 525 W. Ottawa Street Williams Building, 1st Floor Lansing, MI 48933 (517) 373-7117	
Minnesota	Minnesota Department of Commerce Market Assurance Division 85 7th Place East, Suite 500 St. Paul, Minnesota 55101-2198 (651) 296-6328	
New York	NYS Dept. of Law Liberty Street, 21st Floor Investor Protection Bureau New York, NY 10271-0332 (212) 416-8236	New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 (518) 473-2492
North Dakota	North Dakota Securities Department State Capitol, Fifth Floor, Dept. 414 600 East Boulevard Avenue Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner State Capitol, Fifth Floor, Dept. 414 600 East Boulevard Avenue Bismarck, ND 58505-0510 (701) 328-4712
Oregon	Department of Consumer & Business Services Division of Finance and Corporate Securities Labor and Industries Building Salem, Oregon 97310 (503) 378-4140	
Rhode Island	Department of Business Regulation Securities Division 1511 Pontiac Avenue John O. Pastore Complex–69-1 Cranston, RI 02920-4407 (401) 462-9527	

South Dakota	Division of Securities 124 S. Euclid, Suite 104 Pierre, SD 57501 (605) 773-4823	

STATE	STATE REGULATORY AGENCY	AGENT TO RECEIVE PROCESS IN STATE, IF DIFFERENT THAN THE STATE REGULATORY AGENCY
Virginia	State Corporation Commission 1300 East Main Street 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219
Washington	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760	Department of Financial Institutions 150 Israel Road SW Tumwater, WA 98501
Wisconsin	Administrator Division of Securities State of Wisconsin Department of Financial Institutions 4822 Madison Yards Way Madison, Wisconsin 53705 (608) 266-0448	

EXHIBIT B TO THE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

TIN DRUM ASIAN KITCHEN ®

TIN DRUM ASIACAFÉ, LLC

FRANCHISE AGREEMENT

Restaurant Number: __________________

Table of Contents

Page

FRANCHISE AGREEMENT

This Franchise Agreement (this "**Agreement**") is made as of the **"Effective Date"** listed on **Attachment A** hereto (such **Attachment A** and all other attachments are hereby incorporated herein by this reference) between TIN DRUM ASIACAFÉ, LLC, a Georgia limited liability company with its principal business address at 1299 Battle Creek Road, Unit 110, Jonesboro, Georgia 30236 ("**we**", "**us**", or "**our**") and ____________________, a __________________ ("**you**" or "**your**").

Background Statement

A. We have developed a unique and distinctive system (the "**System**") for the establishment and operation of Tin Drum Asian Kitchen restaurants (each restaurant operating under the System is referred to herein as a **"Tin Drum Asian Kitchen Restaurant"**) that offer high quality Pan-Asian cuisine and specialty beverages such as milk tea, fruit tea, and slushies made fresh in the restaurant using proprietary recipes and incorporating Thai, Japanese, Chinese and Vietnamese elements and menu items (the "**Products**"). The System includes our distinctive trade dress, décor, and color scheme; distinctive standards, specifications, and procedures for quality control; training and ongoing operational assistance; and advertising and promotional programs; all of which we may add to, delete from, or modify, from time to time.

B. The System is identified by means of certain trade names, service marks, trademarks, logos, emblems and indicia of origin owned by us, including TIN DRUM®, TIN DRUM ASIACAFÉ® and TIN DRUM ASIAN KITCHEN® (collectively, the "**Marks**"). We may add to, delete from, or modify the Marks from time to time.

C. You desire for us to grant you a franchise to operate a Tin Drum Asian Kitchen Restaurant, using the Marks, under the System, and for us to provide you with certain training and other assistance in connection with such franchise, all as set forth in and subject to this Agreement.

D. You understand and acknowledge the importance of our high standards of quality, appearance, and service, and the necessity of operating your Franchised Business in compliance with our standards and specifications.

In consideration of the foregoing and the mutual promises and commitments set forth in this Agreement the parties agree as follows:

1. GRANT OF FRANCHISE

A. Grant. We grant to you the right to develop and operate one Tin Drum Asian Kitchen Restaurant (the "**Franchised Business**") on the terms and conditions set forth in this Agreement, using the Marks and System (collectively, the "**Franchise**") solely at the site specified on **Attachment A** (or, if no site is specified on **Attachment A** on the Effective Date, then the site shall be determined in accordance with Section 5.A) (the "**Site**"). You must develop, open, and then operate the Franchised Business at the Site for the entire term of this Agreement.

B. Protected Area. As long as you are in compliance with this Agreement, we will grant you an area within which, except as provided below, we will not operate, or franchise any person the right to operate, a Tin Drum Asian Kitchen Restaurant (the "**Protected Area**").

If your Site is known as of the Effective Date, then the Protected Area is listed on **Attachment A**. If your Site is not known as of the Effective Date, you will be notified of your Protected Territory which will be determined under Section 5.A.

We retain all other rights and may, among other things, on any terms and conditions we deem advisable, and without granting you any rights therein:

1. to own, franchise, acquire, operate and license to others to operate a Tin Drum Asian Kitchen Restaurant at any location outside of the Protected Area, regardless of the proximity to your Site (even if there may be some impact to your Franchised Business or if the Tin Drum Asian Kitchen Restaurant competes with you);

2. to own, franchise, acquire, operate and license to others to operate businesses using the Boba TDAK mark or similar marks and/or selling specialty beverages such as milk tea, fruit tea, and slushies at any location regardless of the proximity to your Franchised Business (even if there may be some impact to your Franchised Business and even if these businesses compete with you);

3. to use any proprietary marks or systems (including the Marks and System) to sell any products, including products that are the same or similar to those which you will sell through any alternative channels of distribution within or outside of the Protected Area, regardless of their proximity to your Site or their impact on your Franchised Business. This includes, but is not limited to, grocery stores, convenience stores, club stores, other retail outlets, direct marketing sales, and other channels of distribution such as television, direct mail, mail order, catalog sales, telemarketing, or over the Internet;

4. to own and operate, and license others to own and operate, businesses that sell similar products and/or services under different trade names or trademarks other than the Marks;

5. to acquire, or be acquired by, any competing system, including a competing system that has one or more locations within your Protected Area; and

6. to own and operate, and license others to own and operate, Tin Drum Asian Kitchen Restaurants at Reserved Facilities within your Protected Area. "**Reserved Facilities"** refers to enclosed shopping centers, universities, captive audience facilities (such as parks charging admission, stadiums, and amusement parks), special purpose facilities (such as airports, transportation centers, and hospitals), and limited access facilities (such as military complexes, buyer's club businesses, educational facilities, and business/industrial complexes).

C. No Subfranchising. You shall have no right to grant subfranchises to others. You shall not, and shall not attempt to, grant subfranchises to others.

2. TERM AND SUCCESSOR TERM

A. Initial Term. The term of this Agreement will be for 15 years commencing on the Effective Date (the "**Initial Term**").

B. Successor Term. After the Initial Term expires, you may renew this Agreement for the Franchised Business for one additional 10-year term (such additional term being referred to as the "**Successor Term**" and the Initial Term, together with the Successor Term being referred to collectively in this Agreement as the "**Term**"), but only if you meet the following conditions:

1. You give us notice of your election to renew this Agreement for the Successor Term between 6 and 12 months before the end of the Initial Term;

2. You have secured the right to continue operating at the Site for the Successor Term, and provided us a copy of the related leasehold documents;

3. If required by us, you remodel the Franchised Business to our then-current brand image for Tin Drum Asian Kitchen Restaurants. "Remodel" means to refurbish and remodel the Franchised Business, at your expense, to conform to the then current Tin Drum Asian Kitchen Restaurant design and decor, fixtures, furnishings, equipment, trade dress, color scheme and presentation of Marks consistent with the design concepts then in effect for a new Tin Drum Asian Kitchen Restaurant, including, without limitation, such structural changes, remodeling, redecoration and other modifications to existing improvements as we reasonably deem necessary. Maintenance and repair is not, on its own, a remodel, nor is your acquisition of new or additional equipment or signage due to new or improved specifications we may issue from time to time;

4. At the time you give notice of your election and on the last day of the Initial Term, you (and your affiliates) are not in default of this Agreement or any other agreement with us (or our affiliates); the Franchised Business is in compliance with the System; and you are current with all suppliers;

5. You sign our then-current form of Franchise Agreement (the "**Successor Franchise Agreement**"), which may be materially different than this form (including, without limitation, higher and/or different fees), except that: (i) you will not pay another initial franchise fee, receive another renewal or successor term, nor be required to complete initial training; and (ii) we will not have any pre-opening obligations as described in Section 3.A;

6. You pay a renewal fee that is 50% of our then-current initial franchise fee; and

7. You and each owner of your Franchised Business executes and delivers a general release, the form of which shall be prescribed by us (the "**Release**").

Your **"affiliate**" means any person or entity that controls, is controlled by, or is under common control with, you.

C. Non-Renewal. If you do not deliver to us all items required for renewal, including the executed Successor Franchise Agreement and executed Release, within 10 days after we deliver the Successor Franchise Agreement and Release to you for execution, then you will be deemed to have declined to renew this Agreement for the Franchised Business, and your right to renew this Agreement as set forth in Section 2.B of this Agreement will expire automatically at the end of the Initial Term.

D. Effect of Non-Renewal or Expiration. Non-renewal or expiration of this Agreement will end this Agreement and your right to operate the Franchised Business. Upon non-renewal or expiration of this Agreement, you must meet all obligations upon termination or expiration, as set forth in Section 15, below.

3. OUR DUTIES

A. Pre-Opening Obligations.

1. Site Criteria and Review. We will provide you with guidance relating to the opening of your Franchised Business, including without limitation providing acceptable site criteria. Our acceptance of a Site and any assistance we provide in selecting a site does not constitute a representation or promise by us that the Franchised Business will be profitable or otherwise successful.

2. Development Plans and Specifications. We will provide our mandatory and suggested specifications and layouts for a Tin Drum Asian Kitchen Restaurant, including requirements for dimensions, design, color scheme, image, interior layout, décor, furnishings, equipment, signs, fixtures, opening inventory, and supplies.

3. Suppliers Lists. We will provide, or grant you access to, our lists of Approved Suppliers.

4. Business Plan Review. Upon your request, we will review and advise you regarding your pre-opening business plan.

5. Pre-Opening Training. We will provide an initial training program which you must complete (the "**Initial Training Program**"). You must complete the Initial Training Program before the opening of the Franchised Business. We may change the Initial Training Program from time to time. Up to three people may attend the Initial Training Program at no charge before you open the Franchised Business. Additional persons may attend the Initial Training Program. You will be responsible for all meals, lodging and other travel expenses incurred in attending the Initial Training Program.

6. Opening Assistance. We will have a representative support your Franchised Business opening with at least five days of onsite opening assistance (except that if you already have two or more franchised Tin Drum Asian Kitchen Restaurants in operation, then we are not obligated to provide onsite opening assistance.)

7. Manuals. We will loan you (or provide you electronic access to) a single set of our Manuals.

i. "**Manuals**" means our confidential Operating Manual(s), including any supplements, additions, or revisions from time to time, containing our specifications for certain mandatory aspects of the System (such as equipment, supplies, inventory, management and operation of the Tin Drum Asian Kitchen Restaurant). The term "Manuals" includes any written statement from us setting forth a mandatory aspect of the System with which you must comply, regardless of whether such statement is expressly incorporated into the Manuals. The Manuals may consist of one or more separate manuals and other materials as designated by us and may be any form or media.

ii. To the extent any of the System standards, or other resources in the Manuals, address personnel or employment matters, those are not mandatory but are merely recommendations, suggestions or guidelines. System standards do not include any mandatory requirements on your employees' wages, working conditions, hours, staffing levels, shift timing or other terms of employment; but may specify uniforms and appearance to meet brand standards.

iii. You agree that the Manuals are proprietary and owned solely by us. You agree the Manuals and their contents are Confidential Information that belong to us under Section 9.

iv. We may revise or change the Manuals at any time in our discretion and you expressly agree that such revisions or changes shall be effective upon your receipt or at such other time as we may specify. You shall ensure that your set of the Manuals are kept current and up-to-date. In the event of any dispute as to the contents of the Manuals, the terms contained in the master set of the Manuals we maintain shall control.

v. We reserve the right to provide the Manuals in hard copy, electronic or other such form as we may select, including through an intranet portal. You shall, at your expense, ensure that you have the necessary equipment to retrieve and use the Manuals in its various forms.

B. Post-Opening Obligations.

1. Generally. We will provide such continuing advisory assistance to you in the operation, advertising and promotion of your Franchised Business as we deem appropriate. We may provide you with such periodic individual or group advice, consultation, and assistance, rendered by personal visit or telephone, through newsletters, bulletins or other communication (delivered in hard copy or digitally); such advice, consultation and assistance will be made available from time to time to all our franchisees, as we deem appropriate.

2. Pricing. We will provide recommended prices for certain Products offered by Tin Drum Asian Kitchen Restaurants and franchisees of the System, and may specify required prices for certain Products at certain times, subject to applicable laws.

3. Procedures. We will provide you with our recommended procedures and tools for administration, bookkeeping, accounting (including accounting software), and inventory control. We may make any such procedures required (and not merely recommended) as part of the System.

4. Updates to Manuals. We will provide updates, revisions and amendments to our Manuals as we deem appropriate which may be provided to you from time to time (or made available to you electronically).

5. Quality Control Reviews. We (or our third party designee) will, on a periodic basis as we deem advisable, conduct quality control reviews of the Franchised Business.

6. Marketing. We will manage the NMF Account (as defined in Section 11.B) and oversee advertising, promotion and marketing programs.

7. Internet. We will maintain the website for Tin Drum Asian Kitchen, which will include your location and telephone number.

8. Supplier Lists. We will provide, or grant access to, our lists of Approved Suppliers as changed from time to time.

C. Delegation. We may delegate performance of any of our obligations under this Agreement to third parties, including our affiliates.

D. Changes By Us. We have the right to change or modify the System from time to time, including, without limitation, the adoption and use of new or modified Marks or copyrighted materials, and new or additional menu items, recipes, computer hardware, software, equipment, inventory, supplies, procedures, techniques, standards, and specifications. You will comply with any such changes or modifications to the System at your expense. We may communicate such changes or modifications by incorporating them into the Manuals, or other method we reasonably deem appropriate (which need not qualify as "notice" under Section 19).

4. FEES

A. Initial Franchise Fee. You will pay us the **"Initial Franchise Fee"** in the amount set forth on **Attachment A** when you sign this Agreement. You may, at the time you sign this Agreement, purchase the rights to open either: (i) a single Franchised Business; or (ii) two or three Franchised Businesses (a **"Multi-Franchise Package"**) upon signing this Agreement. If you purchase a Multi Franchise Package, you must sign the **"Multi-Franchise Addendum,"** the form of which is attached hereto. Or, you may become an area developer and acquire the right to develop four or more Franchised Businesses pursuant to a Development Agreement entered into between you (or your affiliate) and us) (if approved by us) (a **"Development Agreement"**). To open additional Franchised Businesses under a Multi-Franchise Package or a Development Agreement, in each instance, you will be required to sign our then-current franchise agreement, but will not be required to pay an Initial Franchise Fee (all other fees will apply). The Initial Franchise Fee is non-refundable and fully earned upon receipt by us. If you are signing this Agreement to establish and operate a Franchised Business pursuant to a Development Agreement, then no Initial Franchise Fee shall be due to the extent the initial franchise fee has been paid to Franchisor under the Development Agreement.

B. Opening Assistance Fee. You must pay us an opening assistance fee of $5,000 for support related to opening your first Franchised Business (the **"Opening Assistance Fee"**).

The Opening Assistance Fee is due upon your purchase or lease of the Site and is non-refundable. Franchisee's Opening Assistance Fee is set forth in **Attachment A**.

C. Royalty Fee. You will pay to us a continuing nonrefundable weekly royalty fee (the "**Royalty Fee**") of 6.5% of Gross Sales. "**Gross Sales**" means all revenue related to the sale of Products and performance of services at or through the Franchised Business , whether for cash or credit, and regardless of collection in the case of credit, and income of every kind or nature related to the Franchised Business without limitation, insurance proceeds and condemnation awards for loss of sales, profits or business; and further including without limitation amounts from gift cards (at redemption), delivery, catering and off-site consumption. Gross Sales does not include (i) bona fide refunds to customers; (ii) revenues from sales taxes or other add-on taxes collected from customers by you and actually transmitted to the appropriate taxing authority; (iii) sales of used equipment not in the ordinary course of business; or (iv) sales of gift cards or similar products (but the redemption of any such card or product will be included in Gross Sales). You may not deduct payment provider fees (e.g., bank or credit card company fees and gift card vendor fees) from your Gross Sales calculation. We reserve the right to require that you include delivery service fees (e.g., GrubHub, ezCater, Waitr, DoorDash, Uber Eats, Postmates, Foodsby (each, a **"TPDS"**)) in your Gross Sales calculation effective upon 30 days advance notice to you such that the full purchase price of the products charged to the customer by a TPDS is subject to inclusion in Gross Sales for purpose of the calculation of Royalty Fees, National Marketing Fees and Local Marketing Cooperative Contributions regardless of the amount of revenue actually received from the TPDS as a result of the customer's purchase. If the state or local government jurisdiction in which your Franchised Business is located prohibits the payment of royalties or other percentage payments based on sales of alcoholic beverage products, then you and we will adjust the Royalty Fee and other provisions to eliminate the prohibition. The adjustment will be made to the definition of Gross Sales and Royalty Fee in a manner to be reasonably equivalent to the amounts other franchisees pay us for use of the Marks and the System. You may not charge surcharges for any fees associated with customers paying by credit card, or any other form of payment. Such surcharges would include, but not limited to, credit card processing fees.

D. Technology Fee. You will pay to us an amount we designate up to $900 per month for the use of our mandated management information system (the "**Technology Fee**"). We may raise the Technology Fee in an amount reasonably commensurate with our internal and out-of- pocket costs.

E. National Marketing and Advertising Fees. You will pay to us a continuing nonrefundable weekly national marketing and advertising fee (the "**National Marketing Fee**") of up to 3% of Gross Sales, as determined by us.

F. Local Advertising Cooperative Contribution. You will pay to us a continuing nonrefundable weekly cooperative contribution (the "**Local Advertising Cooperative Contribution**") of 1% of Gross Sales.

G. Grand Opening. If you have not previously developed and opened a Tin Drum Asian Kitchen Restaurant, you must expend at least $5,000 (exclusive of the cost of food and beverages) on grand opening in accordance with the grand opening budget and plan you and we develop (the "**Grand Opening Expenditure**") under Section 5.H of this Agreement. If you have previously developed and opened a Tin Drum Asian Kitchen Restaurant, then the Grand Opening Expenditure is a minimum of $2,500 (exclusive of the cost of food and beverages).

H. Late Fees. If we debit your account for payment of any amount you owe us, and there are not sufficient funds in your account to pay such amount, or your bank refuses to clear the withdrawal in our favor, the unpaid amount will be considered late. We may assess a late fee of $100 for each week (or portion thereof) that any payment is delinquent. In addition, all overdue amounts will bear interest, until paid, at a rate equal to the lower of (i) 18% per annum; or (ii) the highest rate permitted by applicable state law, whichever is less. Interest shall be calculated on a daily basis.

I. Non-Compliance Fee. If we reasonably believe that you have committed an event of default under this Agreement (including any failure to comply with any requirement set forth in the Manuals), we may assess you a fee up to $500 (the "**Non-Compliance Fee**") per week or portion thereof. We may assess a Non-Compliance Fee regardless of whether we send you a notice to cure or termination notice, so long as we notify you in writing of our decision to charge you a Non-Compliance Fee, the amount of the Non-Compliance Fee, and the reason we believe you have committed a default. Assessment and/or payment of a Non-Compliance Fee does not constitute a waiver of any other rights or remedies we may have in connection with the event of default or otherwise under this Agreement.

J. Payments By Us On Your Behalf. You shall pay to us, within 15 days after any written request by us which is accompanied by reasonable documentation, any monies which we have paid (or have become obligated to pay) that you owed to a third party or that you were obligated to pay a third party as part of the System.

K. Payment Procedures. All weekly payments and any late fees and interest charges required by this Agreement shall be paid through our direct debit program on the payment schedule and method as prescribed by us, following the preceding week for which the applicable fee is being paid (on Gross Sales made during the preceding week). All other payments that you owe to us shall be paid by direct debit when due. At our request, you will execute our standard form of pre-authorized bank form and all other documents necessary to permit us to withdraw funds from your designated bank account by electronic funds transfer ("**EFT**") for payment of all amounts you owe to us or our affiliates. Should any EFT not be honored by your bank for any reason, you will be responsible for that payment and any service charge. Upon written notice to you, we may designate another method of payment, and you must furnish us and your bank with all authorizations necessary to make payment by the methods we specify.

L. Application of Payment. Notwithstanding any designation you might make, we have sole discretion to apply any of your payments to any of your past due indebtedness to us.

M. Obligations Independent; No Set-Off. Your obligations to pay us any fees or amounts described in this Agreement are not dependent on our performance and are independent covenants by you. You must make all such payments without offset or deduction for any amounts that are owed to you.

5. DEVELOPMENT AND OPENING

A. Site Acceptance. If **Attachment A** does not specify your Site on the Effective Date, then you must lease or purchase a location for your Franchised Business within the designated area described on **Attachment A** (the "**Designated Area**"). You have no territorial rights to the Designated Area. Your Site is subject to our acceptance, and you must not move or relocate the Franchised Business without our prior acceptance. You acknowledge that our acceptance of the proposed site is not to be deemed to be a representation or warranty that the Franchised Business at the Site will be profitable or otherwise successful. You must engage a commercial real estate broker to help you select and acquire a Site. Before you engage any real estate broker to assist you, you must obtain written acceptance of that real estate broker from us. We will provide, or grant you access to, our list of approved real estate brokers. You are responsible for any commissions due to the real estate broker and not otherwise paid by the landlord or seller. Upon our request, you must submit to us, in the form we specify, Site information which may include a copy of the Site plan, business plan, demographic statistics and information regarding surrounding businesses, an option contract, letter of intent or other evidence satisfactory to us which confirms your favorable prospects for obtaining the Site for the Franchised Business and such other materials as we may reasonably require. We shall have 30 days after receipt of such information and materials to accept or decline, in our sole discretion, the proposed Site as the location for the Franchised Business. In the event that we do not accept a proposed Site within 30 days, such Site shall be deemed declined by us. If we accept a proposed Site, we will promptly notify you of your Protected Area. We will determine the boundaries of such Protected Area, in our sole discretion, depending on certain factors, including, without limitation, population density, density of business entities, projected growth, traffic patterns, estimated number of businesses and households, estimated number of families, age, income, workplace population, family data and household ownership. Also used in determining the boundaries of your Protected Area are the major and restricting topographical features which define contiguous areas such as rivers, mountains, major roads, and undeveloped land areas and other factors that we deem relevant, in our sole discretion.

B. Lease Acceptance. You must obtain our acceptance of the lease or sublease (or any modification or amendment) for the Site before you sign it. Our review and acceptance of the lease or sublease is solely to ensure that the lease or sublease contains terms that meet our Site criteria; it is not a substitute for careful review by you and your advisors. Our approval of the lease or sublease does not constitute a warranty or assurance that the lease or sublease contains terms and conditions for your benefit, but only that it meets our requirements. At our request, you must obtain the landlord's signature to our standard Addendum to Lease Agreement/Conditional Assignment of Lease. You must deliver a copy of the signed lease or sublease to us within 10 days after it is signed by both you and the landlord.

C. Site Acquisition. You must acquire your Site (by purchasing, leasing or subleasing the Site) within 6 months after the Effective Date (the "**Site Acquisition Deadline**").

D. Construction and Finish Out. You are solely responsible for developing and constructing the Site for your Franchised Business, at your expense, and in compliance with all applicable laws and regulations and our specifications. You must have a licensed architect prepare all required construction plans and specifications to suit the shape and dimensions of the

Site and to ensure that such plans and specifications comply with applicable laws and regulations, lease requirements, and the mandatory specifications and layout provided by us. You must obtain written approval of your licensed architect from us before you engage such architect to assist you. We have the right to review and accept all plans and specifications and to confirm that construction is completed in conformance with our architectural and design standards and specifications for a Tin Drum Asian Kitchen Restaurant. You must also retain a licensed general contractor to oversee the construction of the Franchised Business. You must obtain written approval of your licensed general contractor from us before you engage such general contractor to assist you. If we so request, you must provide a schedule setting forth in detail the anticipated dates on which you will: (i) deliver the final construction plans for the Franchised Business; (ii) receive all necessary building permits; and (iii) complete construction on the Franchised Business. We may inspect construction of the Franchised Business at all reasonable times. You will use in the development and operation of your Franchised Business only those (and each of those) brands, types and/or models of equipment, furniture, fixtures and signs specified by us and only suppliers designated or approved by us, which may include and/or be limited to us and/or our affiliates. You will cause all construction to be performed only in accordance with the plans and specifications approved by us. No changes to the plans and specifications for construction, or to any of the materials used in the Franchised Business, or to the interior or exterior colors, may be made without our prior written consent. You must complete construction and begin operations of the Franchised Business within 6 months of the Site Acquisition Deadline. You may not open the Franchised Business to the public until you have received our approval.

E. Business Plan. If required by us, you shall submit an initial business plan for the Franchised Business prior to commencing operations for our review.

F. Opening Date. You must open the Franchised Business on or before 6 months of the Site Acquisition Deadline.

G. Initial Training. You (or your Operating Principal, as defined herein) must attend and complete to our reasonable satisfaction the Initial Training Program.

H. Grand Opening Marketing Program. You will conduct a grand opening marketing program in accordance with our Manuals, utilizing the tools, timing, technologies, services and products we authorize and direct. You must submit your grand opening marketing plan to us or review and approval no later than 60 days prior to opening of the Franchised Business. You must spend at least the required Grand Opening Expenditure during the period beginning approximately 60 days before opening the Franchised Business through 60 days afterwards. The Grand Opening Expenditure requirements are separate and independent from your other marketing and advertising requirements. We may require you to submit expenditure report(s) to us to confirm your compliance with this Section.

I. Conditions To Opening. You must notify us at least 30 days before you intend to open the Franchised Business to the public. Before opening, you must satisfy all of the following conditions: (i) you follow this Agreement; (ii) you have obtained all applicable governmental permits and authorizations; (iii) the Franchised Business conforms to all applicable System specifications; (iv) we have inspected and approved the Franchised Business; (v) you have hired sufficient employees; (vi) you have completed our required Initial Training Program; (vii) you have submitted insurance certificates, a copy of your executed lease, your EFT, and all other documents and information required by this Agreement or by us; (viii) you have begun the grand opening marketing program required under Section 5.H and paid all amounts due our approved suppliers and vendors; and (ix) we have given our written approval to open (which will not be unreasonably withheld or delayed).

J. Destruction of Franchised Business. In the event the Franchised Business is damaged or destroyed by fire or other casualty or is required by any governmental authority to be repaired or reconstructed, you shall commence repair or reconstruction of the Franchised Business within 90 days after the date of such casualty or notice of governmental requirement (or such lesser period as such governmental requirement may specify) and shall complete all required repair and reconstruction as soon as possible thereafter, but in no event later than 180 days after the date of such casualty or governmental requirement or such lesser period required by law. In the case of reconstruction due to casualty, the minimum acceptable appearance for the restored building will be that which existed immediately prior to the casualty; provided, however, you will use your best efforts to have the reconstructed Franchised Business include the then-current image, design, and specifications of a Tin Drum Asian Kitchen Restaurant.

6. YOUR DUTIES

A. Compliance with System. You acknowledge and agree that every detail of the Franchised Business, including without limitation the uniformity of appearance, service, products and advertising of the Franchised Business is important to you, us, the System and our other franchisees, in order to maintain the System's high and uniform operating standards, to increase demand for the products and services, and to protect our reputation and goodwill. You must operate the Franchised Business in conformity with our System (as set forth in the Manuals or otherwise), including such methods, standards and specifications as we may from time to time prescribe for Tin Drum Asian Kitchen Restaurants. Pursuant to this ongoing responsibility, you agree:

1. To sell all menu items, products and services required by us, utilizing the method and manner that we prescribe; to offer for sale only such menu items, products and services which have been expressly approved for sale in writing by us; to refrain from any deviation from our standards and specifications for preparing, serving or selling such menu items, products or services; and to discontinue selling any such menu items, products or services as we may disapprove in writing at any time;

2. To display and make available to customers all nutritional information regarding menu items, products and services as we may require, from time to time, and in the manner, that we specify and consistent with federal, state and local laws;

3. With respect to any off-site distribution methods such as catering and delivery: (i) to use the off-site distribution methods which we require; (ii) to not use an off-site distribution method which we do not require unless we expressly authorize you to do so; and (iii) to comply with our specifications for any such distribution program method;

4. To maintain in sufficient supply as we may prescribe in the Manuals or otherwise in writing and use at all times only such products and supplies as conform to our standards and specifications in the Manuals;

5. To use at all times only such methods of preparation, methods of service, and like methods as we may require, including without limitation our standards for preparation and presentation of Products; and to refrain from deviating therefrom by using nonconforming methods without our prior written consent;

6. To obtain such products, equipment, services, and supplies as we may require, for the appropriate handling, preparation, presentation, selling and service of any Products;

7. To lease or purchase and install at your expense all fixtures, furnishings, décor, signs and equipment we may reasonably specify from time to time in the Manuals or otherwise in writing, and to refrain from installing or permitting to be installed on or about the Franchised Business without our prior written consent any fixtures, furnishings, signs, décor, equipment or other items not previously specifically approved as meeting our standards and conforming to our specifications;

8. To employ sufficient staff to operate the Franchised Business at all times and maintain the dress and appearance of employees (all other matters pertaining to employment are suggestions or recommendations only);

9. To cause all personnel to render competent and conscientious service to guests. You are solely responsible for training all of your employees and ensuring they are fully trained to perform their duties. We may, although we are under no obligation to so, develop and require the use of a learning management system, at sole cost to you, for use in training of your employees;

10. To maintain a General Manager of the Franchised Business that has been trained to our requirements;

11. To comply with such maximum or minimum pricing requirements that we may determine, and to offer menu items at specific prices we determine if we are promoting such items on a national or regional basis, for the duration of the promotion (but only to the extent permitted by applicable law);

12. To keep the Franchised Business open and in normal operation for such minimum, maximum, and/or specific hours and days as we may from time to time prescribe;

13. To keep the Franchised Business at all times under the direct, on-premises supervision of you (or your Operating Principal, as defined herein), or the supervision of a General Manager approved by us who has attended and successfully completed our training program;

14. Not to install or permit to be installed on or about the Franchised Business, without our prior consent, any furnishings, fixtures, equipment, décor, signage, or other improvements not previously approved as meeting our standards and specifications; and

15. To honor all credit, charge, courtesy or cash cards or other credit devices required or approved by us. You must obtain our written approval prior to honoring any previously unapproved credit, charge, courtesy or cash cards or other credit devices. You shall ensure that the Franchised Business adheres to the standards applicable to electronic payments including Payment Card Industry Standards or any equivalent thereof. You shall immediately (in any event within 24 hours) notify us if you suspect or have been notified by any third party of a possible security breach related to the electronic payment system used in the Franchised Business.

B. Your Organization. If you are or become a corporation, limited liability company, or other entity, you shall comply with Section 13 of this Agreement and the following requirements:

1. If we request, you will provide to us complete, correct and up-to-date copies of your articles of incorporation and bylaws or, as applicable, your articles of organization and limited liability company agreement, other governing documents and agreements among owners, any amendments to them, resolutions authorizing your entry into and performance of this Agreement, and any documents restricting the sale or transfer of your stock or other ownership interests;

2. You represent that **Attachment** B completely and accurately (i) identifies each of your owners, officers and directors; and (ii) describes the nature and extent of each Owner's interest. If any information on **Attachment** B changes (regardless of whether such change is a Transfer (as such term is defined herein) requiring our approval), you will provide an updated **Attachment** B to us within 10 days; and

3. You shall have each of your current and future owners sign our standard form of Owners' Guaranty, agreeing to be bound, jointly and severally, by all provisions of this Agreement. We may amend or modify the form of such guaranty from time to time as to owners signing the guaranty after the Effective Date.

C. Operating Principal. You agree that the person designated as the "**Operating Principal**" on **Attachment B** is the executive primarily responsible for the operation for the Franchised Business and has decision-making authority on your behalf. If you are an Individual, then you must act as the Operating Principal. If you are a corporation, limited liability company or other entity, then the Operating Principal must have at least 5% ownership interest in the Franchised Business. The Operating Principal does not have to serve as the General Manager (as defined herein) of the Franchised Business. If the Operating Principal dies, becomes incapacitated, transfers his/her interest in the Franchised Business, or otherwise ceases to be the executive primarily responsible for the Franchised Business, you must promptly designate a new Operating Principal, subject to our reasonable approval.

D. Compliance With Law. You and the Franchised Business shall comply with all applicable laws, ordinances, rules regulations, court orders, and decisional authority of all federal, state, and local governmental authorities having jurisdiction over the Franchised Business (collectively, the "**Laws**"). You and the Franchised Business shall obtain and keep in force all governmental permits and licenses necessary for the Franchised Business.

E. Ongoing Training. You, your Operating Principal and your managers must attend and complete, to our reasonable satisfaction, such additional training programs as we may require from time to time. We may charge a reasonable fee for such programs in an amount reasonably commensurate with our internal and out-of-pocket costs. You will be responsible for any and all other expenses incurred in training, including, without limitation, the costs of meals, lodging, and travel.

F. Meetings and Conferences. You, your Operating Principal and your managers (if required by us) must attend all in-person meetings and remote meetings (such as telephone conference calls) that we require. We may require you to attend one or more regional or national conventions or conferences per calendar year, and we may charge a reasonable fee to fund such conventions or conferences, regardless of attendance, in an amount reasonably commensurate with our internal and out-of-pocket costs. You will be responsible for all travel and other expenses of attending any meeting, convention or conference.

G. Use of Site. You must use the Site solely for the operation of the Franchised Business, and not use or permit the Site to be used for any other purpose or activity without first obtaining our written consent.

H. Maintenance. You must continuously maintain the Franchised Business in the highest degree of sanitation, repair and condition as we reasonably require. In connection with such maintenance, you shall make such alterations, additions, and repairs to the Site, and such replacement of items in and about the Franchised Business, as we may require, which additions, alterations, and repairs may include, without limitation, periodic repainting, refinishing, and repairing of the interior and exterior and replacing obsolete and worn signs, furnishing, fixtures and equipment.

I. Health and Safety Standards. You must meet and maintain the highest standards of cleanliness, health and sanitation applicable to the Franchised Business, as we may reasonably require.

J. Remodel. You acknowledge and agree that it is in your best interest, and in the best interests of the System, that your Franchised Business be clean, up-to-date, well-maintained and well-appointed. Therefore, you acknowledge and agree that you will, at our request, remodel the Franchised Business periodically. The parties acknowledge that nothing in this Section will affect your obligation to maintain the Site and Franchised Business in compliance with the other provisions of this Agreement and the Manuals. Notwithstanding anything set forth in this Section to the contrary, we will not require you to remodel the Franchised Business more than once every five years. Prior to commencing any remodel, you must submit to us a complete set of plans and specifications for the proposed remodel. We will review the proposed remodel plans promptly, and will approve or provide comments regarding such proposed remodel plans. You shall not commence a remodel unless and until we approve in writing the proposed Remodel plans. In connection with a remodel, we may require you to spend $3,750 on marketing to promote the Franchised Business, in addition to your National Marketing Fee and Local Advertising Cooperative Contribution. For any remodel, you must use a licensed architect and a licensed general contractor that we have previously approved.

K. Taxes and Indebtedness. You shall timely pay when due all taxes levied or assessed, including without limitation unemployment and sales taxes, and all accounts payable and other indebtedness of every kind you incur in the operation of the Franchised Business, including payments to all vendors, Approved Suppliers and/or your landlord. Should any taxing authority impose on us any "franchise" or other tax that is based on the gross sales, gross revenues, business activities, or operation of the Franchised Business, except for federal and state income taxes, you will reimburse us an amount equal to the amount of such taxes and related costs and expenses imposed on or paid by us, unless the tax is credited against income tax otherwise payable by us. In the event of any bona fide dispute as to your liability for taxes assessed or other indebtedness, you may contest the validity or the amount of the tax or indebtedness in accordance with the procedures of the taxing authority or law; however, in no event shall you permit a tax sale or seizure by levy or execution or similar writ or warrant, or attachment by a creditor, without limitation foreclosure, eviction, or repossession, to occur against the premises of the Franchised Business, or any improvements of such premises, or any furniture, fixtures, equipment or other assets of the Franchised Business.

L. Designated and Approved Products and Suppliers.

1. You shall offer for sale at the Franchised Business, and you shall use in your Franchised Business, only those menu items, ingredients, food, beverages, packaging, supplies, signs, equipment, service providers, distributors, and other items and services that we from time to time approve (and which are not thereafter disapproved) and that comply with our specifications and quality standards. If required by us, any such items or services shall be purchased only from "**Approved Suppliers**" that we designate or approve (which might include and/or be limited to us and/or our affiliates). You recognize that we shall have the right to appoint only one manufacturer, distributor and/or another vendor as the Approved Supplier for any particular item. You shall not offer for sale, sell or provide through the Franchised Business or from the Site, any products or services that we have not approved.

2. We will provide you, in the Manuals or other written or electronic form, with a list of specifications and, if applicable, a list of Approved Suppliers for some or all of these items and may from time to time issue revisions thereto. If you desire to utilize any services or products that we have not approved (for services and products that require supplier approval), you must first send us sufficient information, specifications and/or samples for us to determine whether the product or service complies with our standards and specifications, or whether the supplier meets our Approved Supplier criteria.

3. You will bear all reasonable expenses incurred by us in connection with determining whether we will approve an item, service or supplier. We will decide within a reasonable time (usually 30 days) after receiving the required information whether you may purchase or lease such items or services or from such supplier. Approval of a supplier may be

conditioned on requirements related to the frequency of delivery, standards of service, consistency, reliability and general reputation. Nothing in this Section will be construed to require us to approve any particular item, service or supplier, or to require us to make available to prospective suppliers, standards and specifications that we, in our discretion, deem confidential.

4. Notwithstanding anything contrary in this Agreement, we have the right to review from time to time our approval of any items, services or suppliers. We may revoke our approval of any item, service or supplier at any time, in our sole discretion, by notifying you and/or the supplier. You shall, at your own expense, promptly cease using, selling or providing any items or services disapproved by us and shall promptly cease purchasing from suppliers disapproved by us.

5. We have the right to retain volume rebates, markups and other benefits from suppliers or distributors, or in connection with purchases by you. You will have no entitlement to or interest in such benefits, unless otherwise agreed to by us in writing.

6. You must pay all amounts owed to Approved Suppliers when due.

M. Market Research. We may conduct market research and testing to determine consumer trends and the salability of new menu items, food and beverage products and services. You agree to participate in such market research programs as may be conducted by us, in our sole discretion, by test marketing new menu items, food and beverage products and services in the Franchised Business. You agree to provide us with timely reports and other relevant information regarding market research. You agree to purchase a reasonable quantity of the tested new menu items, food and beverage products or services and effectively promote and make a reasonable effort to sell the new menu items, products and/or services.

N. Inspection of Premises. You must permit us or our agents or representatives to enter the Franchised Business and/or to examine any motor vehicle used in connection with the Franchised Business at our discretion, at any time with or without prior notice to you, for purposes of conducting inspections, taking photographs and audio/video recordings, interviewing employees and customers, and/or evaluating any aspect of the Franchised Business. You will cooperate fully with us or our agents or representatives in such inspections by rendering such assistance as they or we may reasonably request. Upon notice from us or our agents or representatives, and without limiting our other rights under this Agreement, you shall immediately correct any deficiencies detected during such inspections, including, without limitation, immediately ceasing and preventing the further use of any products, equipment, inventory, advertising materials, supplies, vehicles, or other items that do not conform to our then-current specifications, standards or requirements. In the event you fail or refuse to correct such deficiencies, we shall have the right to enter upon the premises of the Franchised Business, without being guilty of trespass or any other tort, for the purpose of making or causing to be made such corrections as may be required, at your sole expense which you agree to pay upon demand. We may from time to time develop and implement polices relating to inspection of Tin Drum Asian Kitchen Restaurants that may vary from, or be more lenient than, the foregoing requirements. You agree to follow them. If you have previously failed to meet our standards at your Franchised Business after 2 inspections, then we may direct a third party we choose to conduct a third inspection and report. If we do so, you must reimburse on demand the amount of our expenses for such third party service (including service fees, travel and living expenses).

O. Lease. You must comply with your lease or sublease for the Site. You must submit to us any renewals, amendments, default notices, or other material documents related to your lease within 10 days of your receipt or issuances thereof.

P. Display of Marks. You must display our Marks at the Franchised Business, on uniforms and otherwise in the manner prescribed by us. The color, design and location of said displays shall be specified by us and may be changed from time to time in our sole discretion.

Q. Vehicles. Any vehicle used by you in connection with the operation of the Franchised Business must meet our image and other standards. You must place such signs and décor items on the vehicle as we require and shall at all times keep the vehicle clean and in good working order. You must replace the vehicle with a more updated model as and when we specify. You shall not permit anyone younger than the age of 18 years or who does not possess a valid driver's license to operate a vehicle used in connection with the Franchised Business. You shall require each person who operates a vehicle used in connection with Franchised Business operations to comply with all applicable laws, regulations and rules of the road and to use due care and caution in the operation and maintenance of the vehicles.

R. Supplemental Marketing Programs. We may establish supplemental marketing programs (such as limited time offers, gift cards, gift certificates, coupons, loyalty programs, reward programs and customer relationship management and mobile applications) from time to time as part of the System, and you must participate in (and comply with) such supplemental marketing programs at your expense. You must utilize the service providers we designate for these programs, utilize the specified equipment and software and pay the associated fees on a timely basis.

S. Customer Satisfaction and Franchise Compliance Programs. You must participate, at your own expense, in programs we may require from time to time regarding customer satisfaction and/or your compliance with the System, which may include (but are not limited to) a guest feedback system, guest survey programs, and mystery shopping. We may require you to reimburse us for the cost of such programs. We will share the results of these programs with you, as they pertain to your Franchised Business. You must meet or exceed any minimum score requirements set by us from time to time for such programs.

T. Customer Complaints. You must promptly respond to, and reasonably attempt to resolve, any complaints or negative feedback received by us or you from any of your customers. If you fail to respond to and resolve any customer complaint or negative feedback, we may do so on your behalf, and you will reimburse us upon request for any costs or expenses we incur.

U. Identification of Independent Ownership. You shall hold yourself out to the public as an independent contractor operating the Franchised Business pursuant to a license from us and as an authorized user of the System and the Marks which are owned by us. You agree to take such action as we reasonably request to do so, including, without limitation, exhibiting to customers and others such notices of independent ownership as we may require from time to time, in a conspicuous place on the premises of the Franchised Business and on such forms, business cards, stationery and advertising and other materials as we may specify.

V. Conduct. You must conduct your business at all times in a manner that reflects favorably on the System and the Marks. You shall at no time engage in deceptive, misleading or unethical practices, or conduct any other act (or failure to act) which has a material negative impact on our reputation and goodwill or that of any other franchisee operating under the System.

W. Donations. Without our prior written approval, the Franchised Business shall not (i) donate money, products, or services to any charitable, political, religious, or other organization or cause; or (ii) act in support of any such organization.

X. Personnel. You are solely responsible for hiring, training and supervising Franchised Business personnel and must hire sufficient personnel to fully staff the Franchised Business to operate in accordance with System standards. You are responsible for ensuring that all such personnel meet every requirement imposed by applicable federal, state and local law.

Y. General Manager. You must designate a general manager (the "**General Manager**"), who may be your Operating Principal, and who shall have the day-to-day management responsibility for the Franchised Business. You must inform us in writing as to the identity of the General Manager, including any additional or replacement General Manager. Each General Manager must successfully complete the training programs specified by us. If the General Manager ceases active management of the Franchised Business, a replacement General Manager must be trained according to our standards and, if required by us, attend the Initial Training Program. You must pay our then-current fee for replacement General Manager training. In addition, if you request, or if we deem it appropriate and necessary, we will (subject to availability of our personnel) provide trained representatives to conduct on-site replacement General Manager training at the Franchised Business. You must pay our then-current per diem fee for such on-site replacement General Manager training.

Z. No Lien on Agreement. You shall not grant a security interest in this Agreement (including any collateral assignment of this Agreement) to any person or entity. If you grant an "all assets" security interest to any lender or other secured party, you shall cause the secured party to expressly exempt this Agreement from the security interest.

7. MARKS

A. Grant of License. We grant you a non-exclusive license to use the Marks solely in connection with the operation of your Franchised Business.

B. Conditions for Use. With respect to your use of the Marks pursuant to the license granted under this Agreement, you agree that:

1. You must use only the Marks designated by us and shall use them only in the manner required or authorized and permitted by us. You acknowledge that any unauthorized use of the Marks will constitute infringement of our rights.

2. You must use the Marks only in connection with the operation of Franchised Business, and only at the Franchised Business or in advertising for the Franchised Business.

3. You must identify yourself as the owner of the Franchised Business and a licensee of the Marks on all invoices, order forms, receipts, business stationery and contracts, as well as at the Franchised Business on a sign that is conspicuously displayed to customers, in each case using such language as we may prescribe.

4. You must comply with our instructions in filing and maintaining the requisite trade name or fictitious name registrations, and must execute any documents our counsel or we deem necessary to obtain protection for the Marks or to maintain their continued validity and enforceability.

5. If you become aware of any infringement of the Marks or if your use of the Marks is challenged by a third party, then you must immediately notify us, and we will have sole discretion to take such action as we deem appropriate. You will cooperate and assist as required by us in any enforcement activities or litigation as we deem necessary to fully protect all our interests in the Marks, including any state and federal trademark and service mark registrations for the Marks, or to protect the System. If we determine that no action to protect the Marks is necessary, then you may take any action you deem necessary to protect your own interest, at your own expense.

6. If we modify or discontinue the use of any Proprietary Mark and/or require the use of one or more additional or substitute names or marks, you will modify or discontinue the use of any such name or mark, within a reasonable time after receiving notice, and use such additional or substitute name or mark, at your expense.

C. Acknowledgements. You acknowledge and agree that:

1. As between us and you, we (or our affiliates) own all right, title and interest in and to the Marks and the goodwill associated with and symbolized by them;

2. The Marks are valid, distinctive and serve to identify us the source of the goods and services offered pursuant to those marks and by those who are authorized to operate under the System;

3. You will not directly or indirectly contest the validity, distinctiveness, or ownership of the Mark, or our right to license the Marks, either during the Term or thereafter;

4. Your use of the Marks pursuant to this Agreement does not give you any ownership interest or other interest in or to the Marks, except the nonexclusive license granted in this Agreement;

5. In the event we substitute different Marks for the Marks you are currently using, you will promptly effect such substitute Marks at your sole cost and expense;

6. Any and all goodwill arising from your use of the Marks and/or the System shall inure solely and exclusively to our benefit, and upon expiration or termination of this Agreement no monetary amount shall be assigned as attributable to any goodwill associated with your use of the System or the Marks;

7. You shall not register or attempt to register the Marks in your name or that of any other person or entity; and

8. The license of the Marks granted to you under this Agreement is non-exclusive and we thus have retained the rights, among others:

i. To use the Marks themselves in connection with selling products and services;

ii. To grant other licenses for the Mark, in addition to those licenses already granted to existing franchisees and otherwise; and

iii. To develop and establish other systems using marks the same or similar to the Mark, or any other marks, and to grant licenses or franchises thereto at any location whatsoever, without providing any rights or compensation to you.

D. Franchisee-Developed Concepts. You agree to disclose to us all ideas, concepts, methods, techniques and products conceived or developed by you or your managers during the Term relating to the development and/or operation of the Franchised Business. Any such idea, concept, method, technique or product is automatically owned by us. If the foregoing provision is invalid or otherwise unenforceable, you will grant to us an irrevocable, world-wide, exclusive, royalty-free license, with the right to sublicense such ideas, concepts, methods, techniques and products. We shall have no obligation to make any payment to you with respect to any such idea, concept, method, technique or products. You agree that you will not allow any other person or entity to use any such idea, concept, method, technique or product without obtaining our prior written approval.

8. TECHNOLOGY

A. Computer System.

1. We shall have the right to specify or require certain brands, types, makes and/or models of communication, computer systems, and hardware to be used by, between, or among Tin Drum® Asian Kitchen Restaurants, including without limitation: (a) point of sale systems (the "**POS System**"), data, audio, video, and voice storage, retrieval, and transmission systems for use at Tin Drum® Asian Kitchen Restaurants, between or among Tin Drum® Asian Kitchen Restaurants, and between and among the Franchised Business and us, our designee and/or you; (b) cash register systems; (c) physical, electronic, and other security systems; (d) printers and other peripheral devices; (e) back of house computer, archival back-up systems; and (f) internet access mode (e.g., form of telecommunication connection) and speed (collectively, the "**Computer System**"). You may be required to obtain some of these components and services directly from us, our affiliates or designated or approved suppliers.

You may incur monthly fees for ISP, ASP, data polling services and the like.

2. We shall have the right, but not the obligation, to implement or develop (or have developed for us, or our designee): (a) computer software programs and accounting system software that you must use in connection with the Computer System, which you shall install (the "**Required Software**"); (b) updates, supplements, modifications, or enhancements to the Required Software, which you shall install; (c) the tangible media upon which you shall record or receive data; and (d) the database file structure of your Computer System.

3. You must, at your sole cost, purchase, use, maintain and update the Computer System and will follow the procedures related thereto that we specify in the Manuals or otherwise in writing. You must maintain the Computer System in good working order at all times and upgrade, update or otherwise change the Computer System and Required Software during the Term of this Agreement, as we require. Our modifications and specifications for components of the Computer System and Required Software may require you to incur costs to purchase, lease or license new or modified computer hardware and software or to obtain service and support for the Computer System or Required Software during the Term of this Agreement. You agree to comply with modifications to the Computer System and Required Software within 30 days after you receive notice of such modifications. You may not obtain administrative super-user rights to the POS System.

4. We may require you to participate in a mandated management information system, which includes certain Internet and/or intranet networks that are capable of connecting with our computer systems (collectively, the "**MIS System**"). The MIS System may allow us to review the results of your Franchised Business' operations, provide you information, and otherwise facilitate communications among us and our area developers and franchisees. You must pay our then-current fees to participate in the MIS System, at the times and in the manner, we designate in the Manuals or otherwise in writing. We reserve the right to poll (via modem or otherwise) your POS System in order to compile sales data, consumer trends, food and labor costs, and other such financial and marketing information as we deem appropriate, and you acknowledge that we may distribute this data on a confidential basis to our network of franchisees.

5. We may require you to participate, at your expense, in mandated data security programs, including programs for compliance with Payment Card Industry Data Security Standards, as such standards may change from time to time.

6. Your Computer System must be capable of connecting with our computer systems, performing the functions we designate for the Franchised Business, permitting us to review the results of your Franchised Business' operations, and engaging in any e-commerce activities that we designate. In addition to any access we may have to your Computer System through the MIS System, you must: (a) supply us with any and all codes, passwords and information necessary to have access to your Computer System, and not change them without first notifying us; and (b) not load or utilize any software on the Computer System that we have not specified or approved for use. You will continuously comply with each of our then-current terms of use and privacy policies (and all other requirements) regarding the

Computer System, including (but not limited to) Internet use.

7. Like any System standards, we may periodically change, modify, upgrade, delete, enhance and/or alter any aspects or parts of the Computer System, Required Software, POS System and/or MIS System. You must adopt and implement them as and when we specify at your expense.

8. You must utilize our designated online ordering service for all orders accessed via the internet or other digital medium and pay the designated service charges on a timely basis. You must utilize all specified equipment and software and acquire them at your expense from our approved, designated vendor. To facilitate service, pricing and payments, we may require that you pay these fees to us and then we will pay the vendor.

B. Data. All data provided by you, uploaded to our system from your Computer System, and/or downloaded from your Computer System to our system is and will be owned exclusively by us, and we will have the right to use such data in any manner that we deem appropriate without compensation to you. In addition, all other data created or collected by you in connection with the Computer System, or in connection with your operation of the Franchised Business (including but not limited to consumer and transaction data), is and will be owned exclusively by us during the term of, and following termination or expiration of, this Agreement. Copies and/or originals of such data must be provided to us upon our request. We hereby licenses use of such data back to you, at no additional cost, solely for the Term of this Agreement and solely for you use in connection with the Franchised Business.

C. Data Requirements and Usage. We may, from time-to-time, specify in the Manuals or otherwise in writing the information that you shall collect and maintain certain data on the Computer System installed at the Franchised Business, and you shall provide to us such reports as we may reasonably request from the data so collected and maintained. During and subsequent to the Term of this Agreement, we shall have the right to use all data pertaining to, derived from, or displayed at the Franchised Business (including, without limitation, data pertaining to or otherwise related to customers).

1. You shall operate your business at all times in compliance with all applicable consumer protection, data protection, privacy and cybersecurity laws, including but not limited to the Regulation 2016/679 of the European Parliament and of the Council on the protection of natural persons with regard to the Processing of Personal Data and on the free movement of such data (the General Data Protection Regulation), the California Consumer Privacy Act of 2018 (as amended and pursuant to regulations promulgated thereunder), the Telephone Consumer Protection Act of 1991, the Controlling the Assault of Non-Solicited Pornography and Marketing Act, the Telemarketing Sales Rule and the Junk Fax Prevention Act, any regulations related thereto, and similar international, federal, state and local privacy-related and telemarketing-related laws, rules, regulations and ordinances ("**Privacy Laws**");

2. You shall comply with our standards and policies pertaining to Privacy Laws. If there is a conflict between our standards and policies pertaining to Privacy Laws and

actual applicable Laws, you shall (a) comply with the requirements of the applicable Law; (b) immediately give us written notice of said conflict; (c) promptly and fully cooperate with us and our counsel in determining the most effective way, if any, to meet our standards and policies pertaining to Privacy Laws within the bounds of the applicable Law; and

3. You shall not publish, disseminate, implement, revise, or rescind a data privacy policy without our prior written consent to such policy.

D. Electronic Identifiers; Email. You shall not use the Marks or any other abbreviation or name associated with us or the System as a part of any email address, domain name, or as part of your corporate or other legal name. You agree not to transmit or cause any third party to transmit advertisements or solicitations by email or other electronic media without first obtaining our written consent as to: (i) the content of such advertisement or solicitation, and (ii) your plan for transmitting such advertisements. In addition to any other obligations set forth in this Agreement, you shall be solely responsible for compliance with any Laws pertaining to sending advertisements or solicitations via email or any other electronic media, including but not limited to the "CAN- SPAM Act of 2003" and the "Telephone Consumer Protection Act of 1991."

E. Online Sites. Unless we have otherwise approved in writing, you shall not establish, use, maintain, sponsor or permit any other party to establish and Online Site (as defined below) that relates in any manner whatsoever to the Franchised Business, or that in any way refers to the Marks, us, and/or the System. You specifically acknowledge and agree that Online Sites shall be deemed "advertising" under this Agreement and will be subject to (among other things) our approval under Section 11.A of this Agreement. As used in this Agreement, "**Online Site**" means certain domain names, hypertext markup language ("html"), uniform resource locator ("url") addresses, and access to corresponding Internet web sites, and the right to hyperlink to certain web sites and listings on various Internet search engines and other social networking media, business networking media, and marketing media sites, applications, and platforms, all as modified and expanded from time to time as technology progresses and otherwise related to the Franchised Business or the Marks.

1. We have the right, but not the obligation, to establish and maintain one or more Online Sites, which may, without limitation, promote the Marks, any or all of the Products, Tin Drum Asian Kitchen Restaurants, the franchising of Tin Drum Asian Kitchen Restaurants, and/or the System. We shall have the sole right to control all aspects of any Online Sites, including without limitation its design, content, functionality, links to the websites of third parties, legal notices, and policies and terms of usage. We shall also have the sole right to discontinue operation of the Online Sites;

2. Unless approved in writing by us, you may not establish or use a separate Online Site. We shall have the right, but not the obligations, to designate one or more webpage(s) to describe you and your Franchised Business, with such webpages to be located within our Online Site;

3. If we permit you, in writing, to have a separate Online Site, then each of the following provisions shall apply:

(i) before establishing any Online Site, you must submit to us for our written approval, a sample of the proposed Online Site, including the domain name, format, visible content (including, without limitation, proposed screen shots), and non-visible content (including meta tags), or such other information about the proposed Online Site in the form and manner we may require; and you shall not use or modify such Online Site without our prior written approval as to such proposed use or modification;

(ii) in addition to any other applicable requirements, you shall comply with our standards and specifications for Online Sites as prescribed by us from time to time in the Manuals or otherwise in writing;

(iii) if required by us, you must establish hyperlinks to our Online Site or others that we may request in writing;

(iv) we may revoke our approval at any time, in writing, and require you to discontinue use of any separate Online Site; and

4. Transfer. Upon termination or expiration of this Agreement:

(i) You shall immediately, and without request, provide us with a full and complete written list and description of any and all Online Sites; and

(ii) If we direct you to do so, you shall immediately direct all Internet Service Providers, domain name registries, Internet search engines, and other listing agencies (collectively, the "**Internet Companies**") with which you have Online Sites: (a) to transfer all your interest in such Online Site to us; and (b) to execute such documents and take such action as may be necessary to effectuate such transfer. In the event, we do not desire to accept any or all of such Online Site, you shall immediately direct the Internet Companies to terminate the Online Site or shall take such other action with respect to the Online Site as we may direct.

5. Appointment of Power of Attorney. You hereby constitute and appoint us and any of our officers or agents, for our benefit under this Agreement or otherwise, with full power of substitution, as your true and lawful attorney-in-fact with full power and authority in your place and stead, and in your name or the name of any affiliated person or affiliated company, on termination of this Agreement, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Agreement. You further agree that this appointment constitutes a power coupled with an interest and is irrevocable. Without limiting the generality of the foregoing, you hereby grant to us the power and right to do the following:

(iii) Direct the Internet Companies to transfer all or any part of your interest in and to your Online Sites to us or any third party we designate;

(iv) Direct the Internet Companies to terminate all or any part of your Online Sites; and

(v) Execute the Internet Companies' standard assignment forms or other documents in order to affect such transfer or termination of your interest in the Online Sites.

6. Certification of Termination. You hereby direct the Internet Companies that they shall accept, as conclusive proof of termination of this Agreement, our written statement, signed by our officers or agents, that this Agreement has terminated.

7. Cessation of Obligations. After the Internet Companies have duly transferred all your interest in such Online Sites to us, or after the Internet Companies have duly terminated your interest in such Online Sites, as between you and us, you will have no further interest in, or obligations under, such Online Sites. Notwithstanding the foregoing, you shall remain liable to each and all of the Internet Companies for the sums you are obligated to pay such Internet Companies for obligations you incurred before the date we duly accepted the transfer of such interest in the Online Sites, or for any other obligations not subject to this Agreement.

F. Changes to Technology. The parties acknowledge that changes to technology are dynamic and not predictable within the Term. In order to provide for the inevitable but unpredictable changes to technological need and opportunities, you agree that we shall have the right to establish, in writing, reasonable new standards for implementation of technology (including all aspects of the Computer System, POS System and MIS System) in the System and you agree that you shall abide by those standards we establish as and when we require.

9. CONFIDENTIAL INFORMATION

"**Confidential Information**" means all non-public information of or about the System, us and our affiliates, and any Tin Drum Asian Kitchen Restaurant, including all non-public methods for developing and operating Tin Drum Asian Kitchen Restaurants, and all non-public plans, data, financial information, training programs, Manuals, processes, vendor pricing, supply systems, specifications, marketing systems, formulas, techniques, designs, layouts, operating procedures, customer data and market data, e-commerce data, information, trade secrets and know-how concerning the operation of Tin Drum Asian Kitchen Restaurants which may be communicated to you or of which you may be apprised by virtue of your operation of the Franchised Business under the terms of this Agreement. With respect to all Confidential Information, (i) you shall treat and maintain the Confidential Information as confidential both during the Term of this Agreement and thereafter; (ii) you shall use the Confidential Information only for your operation of the Franchised Business under this Agreement, and not in any other business or capacity; (iii) you shall not make unauthorized copies of any portion of the Confidential Information (whether disclosed via electronic medium or in written or other intangible form), including, for example, the Manuals; (iv) you shall disclose the Confidential Information only as necessary to your employees or agents who have a demonstrable and valid need-to-know the Confidential Information, and not to anyone else; (v) you shall advise your employees or agents of the confidential nature of such information and the requirements of nondisclosure thereof; (vi) you shall promptly inform us of any unauthorized disclosure or use of Confidential Information; and (vii) you shall implement all reasonable procedures that we prescribe from time to time to prevent the unauthorized use or disclosure of the Confidential Information, including, without limitation, restrictions on disclosure of Confidential Information to your employees and the use of nondisclosure and noncompetition agreements we may prescribe for employees or managers who have access to the Confidential Information. We shall be designated a third-party beneficiary of such nondisclosure and noncompetition agreements, with the independent right to enforce such agreements.

10. RECORDS AND REPORTS

A. Maintenance of Books and Records. You shall maintain complete books, records and accounts for at least seven years from the date of preparation, in accordance with the System and in the form and manner prescribed by us.

B. Weekly Reports. You shall submit to us at your expense, at the same time that Royalty Fees are payable, a weekly statement (in a form prescribed by us) of Gross Sales during the preceding week, together with such other data or information as we may require.

C. Financial Statements. You shall submit to us at your expense, on such forms and in such format that we prescribe:

1. within 10 days of the end of each month, a profit and loss statement for the Franchised Business for the immediately preceding month; and

2. within 90 days of the completion of your fiscal year, an annual financial statement for the Franchised Business, which shall include an income statement and balance sheet prepared in accordance with generally accepted accounting principles.

We may require the financial statements to be prepared on a consolidated basis for each Franchised Business that you and your affiliates own. We may require that annual financial statements be compiled by an independent certified public accounting firm. We also reserve the right to require you to submit to us financial statements for any period or periods of any fiscal year. We also reserve the right to require that you submit your financial statements electronically, including through an intranet portal. You shall comply with the accounting and reporting procedures that we prescribe, as modified from time to time, and shall purchase and use all accounting and reporting software and equipment that we require, including without limitation point of sale equipment and software.

D. Annual Business Plan. If required by us, you shall submit an annual business plan and forecast by such date that we determine.

E. Other Submissions. You shall also submit to us such other forms, reports, and data, records, contracts, tax returns, governmental permits and other documents and information related to you or the Franchised Business as we may reasonably designate, in the form and at the times and places reasonably required by us

F. Legal Actions and Investigations. You shall notify us in writing within three days of any legal action (including any lawsuit or governmental investigation) or threatened legal action by any customer or other third party against you or the Franchised Business, or otherwise involving you or the Franchised Business. You shall provide to us such documents and information related to any such action as we may request.

G. Government Inspections. You shall give us copies of all inspection reports, warnings, certificates and ratings, issued by any governmental entity with respect to the Franchised Business within three days of your receipt thereof.

H. Audit. We or our designated agents shall have the right at all reasonable times to examine and copy, at our expense, your books, records, receipts and tax returns. If an audit reveals that any payments to us have been understated in any report to us, then you shall immediately pay to us, upon demand, the amount understated plus interest calculated on a late payment. You shall also reimburse us for all costs and expenses of the audit if (i) we conducted the audit because you failed to submit required reports or were otherwise not in compliance with the System; or (ii) if the understatement exceeded 2% or more of Gross Sales for the audited period.

I. Requests for Information. You hereby irrevocably grant us permission to: (a) release to your landlord, lender(s), or prospective landlord(s) and lender(s) any financial or operational information relating to the Franchised Business; however, we are under no obligation to do so; and (b) request information from your landlord(s) and lender(s). You also irrevocably authorize such landlord(s) and lender(s) to respond to any and all questions from us and provide us with all information we request regarding you.

11. ADVERTISING

A. Approval of Marketing Materials. You must conduct all advertising, promotion and marketing in a dignified and honest manner, and in accordance with the marketing policies which we prescribe from time to time. You must submit to us samples of all such materials at least 15 days before their intended use if such materials have not been prepared by us or previously approved by us during the 12-month period preceding the date of proposed use. If you do not receive our written approval within 10 days, we will be deemed to have disapproved the materials. You shall not use any advertising, marketing or promotional plans or materials, which have not been approved in writing by us, and you shall cease to use any plans or materials promptly upon notice by us.

B. National Marketing and Advertising Program. We will deposit your National Marketing Fee in an account (the "**NMF Account**"). We will use the NMF Account in part to design and create promotional, marketing and advertising resources, including, but not limited to, in-store point of purchase materials, flyers, radio and television commercials and other materials for your use, as we deem appropriate in our sole discretion. All costs associated with your duplication or distribution of these materials, or with media placement, must be borne by you. We will use the NMF Account in connection with advertising with different media outlets, including print, radio, television and/or online on a national and/or regional level for such advertising, marketing and public relations programs and materials as we deem necessary or appropriate, in our sole discretion. We (or our designee) will maintain and administer the NMF Account in the following manner:

1. We (or our designee) will oversee all advertising, promotion and marketing programs, with sole discretion over the creative concepts, materials and media used in such programs, and the geographic, market and media placement and allocation thereof. The

NMF Account may be used to satisfy any and all costs of maintaining, administering, directing, preparing and producing promotional, marketing and advertising resources, including, but not limited to, the cost of preparing and producing television, radio, magazine and newspaper advertising campaigns; the cost of direct mail and outdoor billboard advertising; the cost of marketing and promotion activities, including advertising and marketing agencies; the cost of public relations activities, including advertising and public relations agencies; the cost of developing and maintaining an Internet website; the cost of providing advertising, promotional and/or other marketing materials to franchisees; and personnel and other departmental costs for advertising, promotion and marketing that we internally administer or prepare;

2. The NMF Account will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for such reasonable salaries, administrative costs and overhead that we may incur in activities reasonably related to the administration or direction of the NMF Account and its marketing programs;

3. It is anticipated that the NMF Account contributions will be expended for programs during the fiscal year in which such contributions to it are made. If excess amounts remain at the end of such fiscal year, all expenditures in the following fiscal year(s) will be made first out of such excess amounts, including any interest or other earnings on the NMF Account, and next out of current contributions. We may, in our sole discretion, spend in any fiscal year an amount greater or less than the amount in the NMF Account in that year, and we may lend money to cover any deficits;

4. Each Tin Drum Asian Kitchen Restaurant operated by us or our affiliates will contribute National Marketing Fees at the same rate as Tin Drum Asian Kitchen Restaurants operated by franchisees;

5. An accounting of the NMF Account will be prepared annually and will be made available to you upon request. We retain the right to have the collections and expenditures of amounts in the NMF Account audited, at the expense of the NMF Account, by an independent certified public accountant we select;

6. We assume no fiduciary duty in administering the NMF Account;

7. We have no obligation to ensure that expenditures from the NMF Account are or will be proportionate or equivalent to contributions of National Marketing Fees by Tin Drum Asian Kitchen Restaurants operating in any geographic area or that any Tin Drum Asian Kitchen Restaurant will benefit directly or in proportion to the amount of National Marketing Fees it has paid.

C. Local Advertising Cooperative Contribution. You must participate with other franchisees in your designated market area (as determined by us) in an advertising cooperative. If there are no other franchisees in your designated market area, then you will be the sole member of the advertising cooperative until such time as other franchises have been established in the designated market area. You shall comply with the policies and procedures established by the advertising cooperative and must contribute 1% of Gross Sales each week to the advertising cooperative. We (or our designee) will administer these funds in accordance with the direction of the cooperative members, provided that our prior written approval must be obtained for all expenditures of the cooperative and before the use of any advertising and promotional materials developed by the cooperative. We may contract with an independent accounting firm to administer such funds. We may require cooperative members to adhere to governing documents that we develop. We may require you to submit monthly financial statements for the cooperative. We may require a cooperative to be changed, dissolved or merged. Activities of the cooperative will generally be determined by its members, except that we reserve the right to exercise sole decision-making power over the cooperative funds if we determine, in our sole discretion, that the cooperative is not functioning properly either due to a lack of participation or an impasse among the members. Company-owned locations may participate in the cooperatives and, if they do so, they will be subject to the same fees and voting powers as franchisee members.

D. Promotional Programs. You acknowledge that periodic rebates, give-aways and other promotions and programs are an integral part of the System. Accordingly, you, at your sole cost and expense, from time to time shall issue and offer such rebates, give-aways, discounts, incentives and promotions in accordance with any reasonable marketing programs, loyalty programs or customer survey/research programs established by us, and further shall honor rebates, give-aways and other promotions issued by other franchisees as long as all of the above do not contravene the laws of appropriate governmental authorities.

12. INSURANCE

A. Procurement. You shall procure, prior to the commencement of any operations under this Agreement, and thereafter maintain in full force and effect at all times, at your sole expense: (i) an insurance policy or policies insuring you together with us, and our affiliates, against any loss, liability, personal injury, death, property damage or expense whatsoever from fire, lightning, theft, vandalism, malicious mischief and the perils included in the extended coverage endorsement, arising out of or occurring upon or in connection with the Franchised Business or the construction of or leasehold improvements made to the Franchised Business, or by reason of the operation or occupancy of the Franchised Business; and (ii) such other insurance (naming you as the insured) applicable to such other special risks, if any, as we may reasonably require for our own and your protection.

B. Minimum Coverage. Such policy or policies shall be written by an insurance company rated "A" or better by A.M. Best Company, and that is otherwise satisfactory to us, and shall name you as the insured and shall include, at a minimum (except as additional coverage and higher policy limits may reasonably be specified from time to time by us in the Manuals or otherwise in writing) the following:

1. Comprehensive general liability insurance, including contractual liability, broad form property damage, personal injury, advertising injury, product liability, employee liability, completed operations and independent contractors coverage legal liability coverage with a minimum of $500,000 in coverage and fire damage coverage in the amount of $1,000,000 per occurrence, with $2,000,000 aggregate coverage, or such higher amount as required by the lease for the Site;

2. An “umbrella” policy providing excess coverage with limits not less than the following amounts, depending on the number of Tin Drum® Asian Kitchen Restaurants that you (or your affiliate) develop and operate:

Number of Tin Drum Asian Kitchen Restaurants	**Minimum Coverage**
1-3	$1,000,000
4-6	$3,000,000
7-9	$5,000,000
10-15	$7,000,000
More than 15	$10,000,000

2. Automobile liability coverage, including coverage of owned, non-owned and hired vehicles, with coverage in amounts not less than $1,000,000 combined single limit;

3. Worker’s compensation and employer’s liability insurance in the minimum amount of $500,000 or such other higher limit as may be required by law, as well as such other insurance as may be required by statute or rule of the state in which the Franchised Business is located and operated;

4. “All risks” or “special form” coverage for the full replacement of the Franchised Business premises and all personal property and equipment on Site or used in the Franchised Business;

5. Business interruption and extra expense insurance for a minimum of twelve months to cover loss of profits and continuing expenses, including payment of Royalty Fees, caused by any occurrence covered by the insurance referenced in subsections 1 and 5 above;

6. Employment practices liability insurance with limits not less than $100,000 per occurrence/aggregate. Additionally, we recommend (but do not require) the following amounts, depending upon the number of Tin Drum Asian Kitchen Restaurants that you (or your affiliate) develop and operate:

Number of Tin Drum Asian Kitchen Restaurants	**Minimum Coverage**
3-6	$1,000,000 per occurrence/aggregate limit; must include $100,000 joint-

	employer co-defense coverage for us.
7-12	$2,000,000 per occurrence/aggregate limit; must include $100,000 joint-employer co-defense coverage for us.

7. Liquor liability coverage, if applicable, in the amount of $1,000,000; and

8. Data Privacy/Cyber Liability Coverage, including coverage for loss arising from the failure to protect sensitive personal information in any format. We reserve the right to implement a master policy covering the System that will provide one aggregate policy limit to all franchisees for both first and third party claims. In the event that we implement such a policy, we reserve the right to require you to reimburse us for any of all of your proportionate share of coverage under this master policy;

9. Food Contamination Insurance with a minimum of $250,000 in coverage, including crisis management and public relations coverage, business income loss, product recall loss and incident exposure due to product contamination claims. Your policy must be in participation with coverage written across the System and under our master control policy.

C. Additional Insured. You shall have us and our affiliates named as an additional insured under each policy, except for policies required by statute in your jurisdiction, including, but not limited to workers' compensation and employment practices liability insurance policies. We may require additional types of coverage or increase the required minimum amount of coverage upon reasonable notice. Such policies shall also include a waiver of subrogation in favor of us.

D. Construction Coverage. In connection with any construction, leasehold improvements, renovation, refurbishment or remodeling of the premises of the Franchised Business, you shall cause the licensed general contractor to maintain with a reputable insurer comprehensive general liability insurance (with comprehensive automobile liability coverage for both owned and non-owned vehicles, builder's risk, product liability and independent contractors coverage) in at least the amount of $1,000,000 with us, our affiliates named as an additional insured, and worker's compensation and employer's liability insurance as required by state law.

E. Certificates. At least 15 days prior to the opening of the Franchised Business and at least 30 days in advance of each policy renewal date thereafter, you shall submit to us certificates evidencing the existence and continuation of proper coverage with limits not less than those required hereunder. Such insurance certificates shall include a statement by the insurer that the policy or policies will not be canceled or materially altered without at least 30 days prior written notice to us. In addition, if requested by us, you will deliver to us a copy of any policy required hereunder.

F. Independence of Coverage Requirements. Your obligation to obtain and maintain the foregoing policy or policies in the amounts specified shall not be limited in any way by reason of any insurance which may be maintained by us, and your performance of that obligation shall not relieve you of liability under the indemnity provision set forth in Section 17 of this Agreement. Any and all policies must provide that your failure to comply with this Agreement or any other act or omission by you will not void or otherwise affect the protection afforded to us.

G. Third Parties. You shall ensure that all third parties with which you conduct business, are properly insured.

13. TRANSFERS; OPERATION BY US

A. By Us. We may transfer or assign this Agreement, or any of our rights or obligations under this Agreement, to any person or entity, and we may undergo a change in ownership and/or control, without your consent. After such transfer or assignment, you shall look solely to the transferee or assignee, and not to us, for the satisfaction of any obligation transferred or assigned. We may also, without your consent, transfer, assign or otherwise alter any or all of the ownership interest in us.

B. By You.

1. If you are an entity, "Owner" means a natural person or business entity which "owns" equity in you, where such ownership is direct, indirect or beneficial.

2. You acknowledge that the rights and duties set forth in this Agreement are personal to you (and to your Owners, if applicable) and that we entered into this Agreement in reliance on your business skill, financial capacity, personal character, experience, and business ability. Accordingly, you (and your Owners, if applicable) shall not conduct or undergo a Transfer (as defined herein) without providing us at least 60 days prior notice of the proposed Transfer, and without obtaining our written consent.

3. **"Transfer"** means for you or any Owner to voluntarily or involuntarily transfer, sell, assign, delegate, convey, gift, pledge, mortgage, encumber or dispose of, in any single or series of transactions, any direct, indirect, or beneficial interest in (i) you, (ii) the Franchised Business (or all or substantially all of its assets), (iii) this Agreement, or (iv) any interest or right granted under this Agreement.

4. Except as specifically provided in this Agreement, we have the absolute and unfettered right to withhold our consent to a Transfer. In the event of a Transfer, we may impose the following conditions precedent in our sole discretion:

i. in the event the Transfer, in a single or series of transactions (whether by reorganization, merger, equity interest purchase or exchange or others), would reduce your equity interest in this Agreement and/or Franchised Business or, if you are an entity, the voting or equity interest held by your Owners in you to no less than 51% ("Minority Ownership Transfer") then on or before such Minority Ownership Transfer, we receive a transfer fee from you equal to $1,500. Such fee will be waived in the event such Minority Ownership

Transfer was to your direct family member or to the guarantor of your obligations under this Agreement;

ii. in the event the Transfer, in a single or series of transactions (whether by reorganization, merger, equity interest purchase or exchange or others), would reduce your equity interest in this Agreement and/or Franchised Business or, if you are an entity, the voting or equity interest held by your Owners in you to less than 51% ("Majority Ownership Transfer") then on or before such Majority Ownership Transfer, we receive a transfer fee from you equal to $2,500 plus the amount of any applicable broker/sales fees. The $2,500 transfer fee will be waived if such Majority Ownership Transfer was to your direct family member or to the guarantor of your obligations under this Agreement;

iii. the proposed transferee and its owners have completed our franchise application processes and meet our then-applicable standards and requirements for a new franchisee;

iv. the proposed transferee is not, or does not own or operate, a Competitor. **"Competitor"** means a business which sells (a) Pan-Asian cuisine and includes but is not limited to (1) Pei Wei, (2) Panda Express, (3) Sarku Japan, (4) Benihana, (5) Mama Fu's, (6) Teriyaki Madness, (7) Asian Box, (8) Wow Boa, and (9) Samurai Sam's; or (b) Asian-style milk tea, fruit tea, slushies or other specialty beverages as primary menu item and which are the same as or similar to the specialty beverages sold by Tin Drum Asian Kitchen Restaurants and, in the aggregate, comprise 10% or more of the business's revenue (any of the businesses referred to in subparagraph (a) or (b) are a **"Competitor"**);

v. you have paid all monetary obligations to us in full, and you are not otherwise in default or breach of this Agreement;

vi. you have paid all suppliers and vendors in full;

vii. the transferee and its owners and managers undergo such training as we may require;

viii. you, your Owners, and the transferee and its owners execute our then-current form of the transfer or assumption agreement, which such agreement will (i) contain a general release in favor of us, our affiliates, and our respective past, present and future owners, officers, directors, managers, agents and employees, as well as any and all additional instruments that we reasonably request to evidence the Transfer;

ix. you and your Owners must agree to remain liable for all of the obligations to us in connection with the Franchised Business arising before the effective date of the Transfer, and execute any and all instruments that we reasonably request to evidence such liability;

x. the Franchised Business fully complies with all of our then-current System requirements;

xi. the transferee executes our then-current form of the franchise agreement, which may contain materially different provisions than this Agreement, and which will have a new term;

xii. the transferee must agree to a sublease, or to a transfer and assumption, of the lease of the Site from you, and must obtain the landlord's approval prior to any transfer or sublease, if applicable; and

xiii. you Remodel the Franchised Business (or we may require the transferee to do so within a time period we specify).

5. Any purported Transfer that does not comply with this Section shall be voidable by us, and shall be a default of this Agreement that shall permit us to terminate this Agreement pursuant to Section 14.C.

6. The Franchised Business shall not be eligible to request our consent for a Transfer if the Franchised Business has not opened for business, unless you are requesting a Transfer for Convenience of Ownership.

C. Transfer for Convenience of Ownership. You may Transfer this Agreement to a corporation or limited liability company formed solely for the convenience of ownership, so long as: (i) you own and control 100% of the ownership interests of the corporation or limited liability company; (ii) you notify us at least 30 days prior to the Transfer; and (iii) you comply with Section 6.B and Section 6.C. You agree to remain personally liable under this Agreement as if the transfer to the corporation or limited liability company did not occur.

D. Our Right of First Refusal. If any party who holds an interest in you or in the Franchised Business desires to accept any bona fide offer from a third party for a Transfer, then you must notify us in writing of each offer and provide us with copies of all relevant documentation related to such offer. Except as otherwise provided in this Agreement, we shall have the right and option, exercisable within 30 days after receipt of such written documentation and information, to acquire the Franchised Business or purchase the seller's interest in you (collectively, the "**Interest**") on the same terms and conditions offered by the third party by sending written notice to the seller that we intend to do so. If the consideration, terms and/or conditions offered by a third party are such that we cannot reasonably furnish the same consideration, terms and/or conditions, then we may purchase the Interest for the reasonable equivalent in cash. Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same right of first refusal by us as in the case of an initial offer. If we elect to purchase the Interest, closing on such purchase must occur by the later of: (a) the closing date specified in the third party offer; or (b) within 30 days from the date of notice to the seller of our election to purchase. Our right to exercise the option afforded by this Section shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Article 13 with respect to a proposed Transfer.

E. Transfer Upon Death or Incapacity. If you (or, if the Franchised Business is owned by an entity, any person with a 10% or greater equity interest in the entity) die or become incapacitated, your executor, administrator, or personal representative of that person must

Transfer the Franchised Business to a third party approved by us within nine months. If the transferee is a family member of yours, then (i) the Transfer will be approved by us so long as the transferee meets the conditions contained in Section 13.B (other than the payment of the transfer fee); and (ii) the Transfer will not be subject to our right of first refusal in Section 13.D.

F. Franchisee's Financing or Securities Documents. You (and your affiliates) shall not represent in any proposed financing arrangement to any proposed lender or participant in a private or public investment offering that we or any of our affiliates is, or shall be in any way responsible for your (or your affiliate's) obligations or financial projections, if any, set forth in such financing arrangement or investment offering or that we or any of our affiliates is or shall be participating in any private or public investment offering. We assume no responsibility, liability, or obligation whatsoever to review or comment on any offering circular, prospectus, financing documents of you or your affiliates. We shall be entitled to indemnification pursuant to Section 17 regardless of whether we made any review or comment with respect to any offering circular, prospectus, or financing document of you or your affiliates.

G. Operation of the Franchised Business by Us. If (i) you (or, if you are an entity, the person with a majority interest in you) dies or becomes incapacitated; (ii) this Agreement is terminated or expires and we elect to purchase assets of the Franchised Business as provided in Section 15.H; or (iii) you operate the Franchised Business in a manner which, in our reasonable opinion, constitutes a danger to the health or safety of any person, then we (or our designee) may (but are not obligated to) enter your Site and operate and manage the Franchised Business for your account until this Agreement is terminated, the Franchised Business is transferred, the Franchised Business is purchased by us, or we return the Franchised Business to you. Our operation and management will not continue for more than 90 days without your consent. We will account to you for all net income from the Franchised Business during the period in which we operate the Franchised Business. We may collect a temporary management fee equal to 10% of Gross Sales for the period in which we operate the Franchised Business.

H. Non-Waiver of Claims. Neither our consent to any proposed Transfer nor our election not to exercise our option to purchase any Interest shall be deemed to constitute a waiver of any claims we may have against the transferor, nor shall it be deemed a waiver of our right to demand exact compliance with this Agreement or our future rights or options.

14. DEFAULT AND TERMINATION

A. Termination After 30-Day Cure Period. Except as otherwise provided in Section 14.B, Section 14.C and Section 14.D, below, if you violate this Agreement or otherwise fail to perform any of your obligations hereunder (a "**default**"), we may terminate this Agreement by notifying you in writing stating the nature of the default at least 30 days before the effective date of termination. You may avoid termination only by immediately initiating a remedy to cure such default and curing it to our satisfaction prior to the termination date we specify (which may not exceed 30 days from our notice). If any such default is not cured within the specified period, or such longer period as required by law, then this Agreement shall terminate without further notice to you, effective immediately.

B. Termination With Notice And A 10-Day Cure Period. Upon the occurrence of any of the events of default set forth in this subsection, we may, at our option, terminate this Agreement by notifying you in writing stating the nature of the default at least 10 days before the effective date of termination. You may avoid termination only by immediately initiating a remedy to cure such default and curing it to our satisfaction within the 10-day cure period. If any such default is not cured within the specified period, or such longer period as required by law, this Agreement shall terminate without further notice to you, effective immediately.

1. If you fail to make a payment when due (or if you do not have sufficient funds in your account when we attempt an electronic funds withdrawal) to us (or our affiliate) under this Agreement or any other agreement between you (or your affiliate) and us (or our affiliate), and you fail to cure such non-payment;

2. If you fail to comply with our product and quality control standards and specifications or any other System standard;

3. If you fail to have any real estate brokers, architects, general contractors or suppliers approved by us as required by this Agreement;

4. If you fail to offer all Products as required by us, or if you offer any unapproved Products;

5. If you fail to maintain or observe the health and sanitation procedures prescribed by us or by the Laws;

6. If you fail to operate the Franchised Business in compliance with the standards and specifications set forth in the Manuals;

7. If you fail to make payment when due to any vendors or suppliers providing products or services to the Franchised Business;

8. If you (or any of your affiliates or Owners) default under any other agreement with us (or our affiliate);

9. If you refuse to permit us to inspect the Franchised Business, or your books or accounts upon demand;

10. If you are unable or unwilling to complete training as required under this Agreement;

11. If you fail, refuse or neglect to promptly submit certificates of insurance to us as required under this Agreement; or

12. You, or your affiliates, fail to make payment when due to any landlord of the Franchised Business.

C. Termination With Notice and No Opportunity To Cure. You will be in default of this Agreement and we may, at our option, terminate this Agreement and all your rights hereunder, without allowing or permitting you the opportunity to cure the default, effective immediately upon delivery of written notice to you, upon the occurrence of any of the following events:

1. If you (or any of your Owners) made any material misrepresentation or omission when applying to a be franchisee, or if by entering this Agreement you violated any non-competition agreement by which you are bound;

2. If you fail to acquire your Site or open the Franchised Business for business by the deadlines specified in Section 5.C and Section 5.F, respectively;

3. If the Franchised Business ceases operation for three consecutive days without our prior approval;

4. If your landlord notifies you that the landlord is re-taking possession of the Site, if an eviction proceeding is filed against you, or if you otherwise lose your right to possession of the Site;

5. If you relocate the Franchised Business without our prior written consent;

6. If you (or any of your Owners) engage in any violent or threatening act towards an employee, customer or any other person;

7. If a threat, danger or injury to health or safety of any person results from any act or failure to act by you (or any of your owners), or from the construction, maintenance or operation of the Franchised Business;

8. If you (or any of your Owners) are or have been convicted by a trial court of, or plead no contest or guilty to, a crime or offense that we reasonably believe is likely to have an adverse effect on the System or the Marks, or a felony;

9. If you (or any of your Owners) commits a material violation of Section 6.D (Compliance With Laws) or Section 9 (Confidentiality Information), violates Section 13 (Transfers) or Section 16 (Covenants), or violates any other provision of this Agreement which by its nature cannot be cured;

10. If you knowingly maintain false books or records, or knowingly submit any false statements or information to us, or underreport Gross Sales by more than 5% for any week;

11. If you or your Operating Principal loses the right to reside in the United States;

12. If you fail to make payment when due on any loan to (or secured by) the Franchised Business, and do not cure such non-payment within any applicable grace period;

13. If a judgment is issued against you from any court that is not satisfied or properly appealed so that it is stayed from execution within 30 days of issuance;

14. If we terminate any other agreement between you (or your affiliate) and us (or our affiliate) for your default thereunder;

15. If you violate this Agreement after you have received two or more notices of default under this Agreement (whether or not such defaults are cured after notice), all in the same 24-month period; or

16. If you misuse or make any unauthorized use of the Marks or otherwise materially impair the goodwill associated with the Marks or our right's in the or to any aspect of the System.

D. Automatic Termination. You shall be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to you, if you become insolvent or make a general assignment for the benefit of creditors, or if a petition in bankruptcy is filed by you, if such petition is filed against and consented to by you or not dismissed within 30 days, or if you are adjudicated as bankrupt, or if a court appoints a receiver of or other custodian of your business or assets, or if a final judgment remains unsatisfied or of record for 30 days or longer (unless supersedeas bond is filed), or if execution is levied against the Franchised Business, or suit to foreclose any lien or mortgage against the Franchised Business is instituted against you and not dismissed within 30 days, or if any substantial real or personal property of the Franchised Business shall be sold after levy thereon.

E. Our Right to Cure. If you breach or default under any provision of this Agreement, we may (but have no obligation to) take any action to cure the default on your behalf, without any liability to you. You shall reimburse us for our costs and expenses (including the allocation of any internal costs) for such action, plus 10% as an administrative fee.

F. Temporary Public Safety Closure. If we discover or become aware of any aspect of the Franchised Business which, in our opinion, constitutes an imminent danger to the health or safety of any person, then upon our verbal or written instruction, you must immediately suspend operations of the Franchised Business and remedy the dangerous condition. We shall have no liability to you or any other person for our action or failure to act with respect to a dangerous condition. Our right to require an immediate suspension of operations is in addition to all other rights and remedies we have.

15. OBLIGATIONS UPON TERMINATION

Upon termination or expiration of this Agreement, all rights granted to you under this Agreement shall immediately terminate including the Franchise and your right to operate the Franchised Business, and:

A. Cease Operating. You shall immediately cease operating the Franchised Business and cease using any of the Marks and Confidential Information; provided however, that this Section shall not apply to the operation by you of any other Tin Drum Asian Kitchen Restaurant under the System that we may separately and independently have granted you and that we have not terminated.

B. Modify The Premises. If we do not exercise our option to acquire your lease or sublease pursuant to Section 15.H, you shall make such modifications to the premises of the Franchised Business immediately upon termination or expiration of this Agreement as may be necessary to distinguish the appearance of the premises from that of other Tin Drum Asian Kitchen Restaurants, and you shall make such specific additional modifications as we may reasonably request for that purpose. If you fail or refuse to comply with the requirements of this Article 15, we shall have the right to enter upon the premises of the Franchised Business without being guilty of trespass or any other tort to make such modifications, at your expense, which you shall pay upon demand.

C. Immediate Payment. You shall immediately pay all sums owing to us and our affiliates and suppliers, through the effective date of termination or expiration.

D. Liquidated Damages. If we terminate this Agreement under Section 14 or if you terminate this Agreement without the contractual right to do so, we shall be entitled, as liquidated damages and not as a penalty and solely to compensate us for damages solely due to your failure to continue operating the Franchised Business for the remainder of the term of this Agreement, to a sum equal to the average Royalty Fees owed by you (even if not paid) per month over the 12-month period preceding the date of termination (or, if the Franchised Business was not open throughout such 12-month period, then the average Royalty Fees earned per month for the period in which the Franchised Business was open), multiplied by the lesser of: (i) 18; or (ii) the number of months remaining in the term of this Agreement. This liquidated damages provision will not limit our rights to injunctive relief relating to any violations of this Agreement, nor limit any damages available to us arising out of such violations. You acknowledge and agree that the amount of liquidated damages determined in accordance with the preceding formula reasonably represents our monetary losses of Royalty Fees resulting from the termination of this Agreement.

E. Return of Materials. You shall promptly return to us all copies of the Manuals, Confidential Information and any and all other materials provided by us to you or created by a third party for you relating to the operation of the Franchised Business, and all items containing any Marks; provided however, that you may retain your copy of this Agreement, and correspondence between you and us, and any other document which you need for compliance with any applicable laws. You shall delete from the Computer System and POS System any proprietary information, including but not limited to menus, recipes, inventory and pricing. In the event that you fail to comply with this obligation, we have the right to perform such obligations on your behalf, including by contacting the vendor that services the Computer System and POS System to disable your access and/or by physically seizing control and possession of the Computer System or POS System to perform such obligations on your behalf.

F. Close Vendor Accounts. You must close all of your accounts with suppliers which were opened in connection with the Franchised Business. We have the right to notify your Supplier that this Agreement has expired or been terminated and to require them to close your accounts, if you fail to do so.

G. Cease Identification with Us. You shall promptly cancel all assumed name or equivalent registrations relating to your use of the Marks and notify any applicable telephone, Internet, email, electronic network, directory, and listing entities of the termination or expiration of your right to use any numbers, addresses, domain names, locators, directories and listings associated with any of the Marks; provided however, that this Section shall not apply to the operation by you of any other Tin Drum Asian Kitchen Restaurant under the System that we may separately and independently have granted you and that we have not terminated. You will authorize the transfer of the foregoing to us or any new franchisee as may be directed by us. You hereby irrevocably appoint us, with full power of substitution, as your true and lawful attorney-in-fact, which appointment is coupled with an interest; to execute such directions and authorizations as may be necessary or appropriate to accomplish the foregoing.

H. Option to Purchase. Upon expiration or termination of this Agreement, we shall have the right (but not the obligation) to purchase any or all of the furnishings, equipment, signs, fixtures, supplies, materials and other assets related to the operation of the Franchised Business, at your cost or fair market value, whichever is less, and/or to require you to assign your lease or sublease to us. If the parties cannot agree on fair market value of the assets within ten (10) days of the expiration or termination of this Agreement, the fair market value will be determined as follows: We will provide you a list of three appraisers selected by us. Within five (5) business days of the date you receive our list, you will have the right to select one of the three appraisers selected by us. The appraiser you select from our list will appraise the furnishings, equipment, signs, fixtures, supplies, materials and other assets. You and we will share the cost of the appraiser equally. The appraiser will be obligated to complete the appraisal within 30 days after being retained. Within thirty (30) days of our receipt of the appraisal, we will determine whether we will exercise our option to purchase any or all of the appraised assets. In the event we elect to purchase any of the assets, we shall purchase assets only and shall assume no liabilities. If we elect to exercise any such option, we shall have the right to set off from the purchase price: (a) all amounts due from you to us or any of our affiliates; (b) your portion of the cost of any appraisal conducted hereunder; (c) any sums necessary to acquire clear title to the lease or sublease. We may assign this option to any other party, without your consent. In the event that we exercise this option then any liquor or alcoholic beverage licenses or permits ("**Liquor Licenses**") shall automatically transfer to us, or our designee, to the extent permitted by law. You shall have 5 days from your receipt of notice of our intention to exercise this option to commence all procedures necessary to transfer or relocate all Liquor Licenses to us, or our designee. If the laws do not permit the transfer or relocation of the Liquor License, you shall join and cooperate with us in promptly procuring a replacement Liquor Licenses in our name or in the name of our designee. You shall indemnify and hold us harmless for any and all of your liabilities and obligations related to our right, or our designee's right, to own, possess, and use any Liquor License.

16. COVENANTS

A. In-Term Restrictive Covenants. You and your Owners specifically acknowledge that you and they will receive access to valuable specialized training and Confidential Information, and that such specialized training and Confidential Information provide a competitive advantage to the System. During the term of this Agreement, neither you nor any of your Owners shall, directly or indirectly, for yourself or themselves or through, on behalf of or in conjunction with any other person or entity:

1. Divert or attempt to divert any customer of Tin Drum Asian Kitchen Restaurants (including the Franchised Business) to any other business or to perform any other act injurious or prejudicial to the goodwill associated with the Marks or the System;

2. Employ or seek to employ any person who is at that time employed by us or otherwise directly or indirectly induce such person to leave the employ of said party;

3. Solicit other franchisees, nor use available lists of franchisees, for any commercial purpose other than purposes directly related to the operation of the Franchised Business;

4. Have any ownership interest in, or be engaged or employed by, any Competitor;

5. Authorize, assist, or induce another to develop, open or operate a Competitor.

B. Post-Term Restrictive Covenants. You and your Owners covenant that, with respect to you, for a continuous uninterrupted period commencing upon the expiration, termination, or Transfer of this Agreement for any reason or, with respect to each of the owners, commencing on the earlier of: (i) the expiration or termination of this Agreement for any reason; or (ii) the time such person ceases to be an owner of the Franchised Business, and continuing for two years thereafter, except as otherwise approved in writing by us, neither you nor any of your Owners shall, directly or indirectly, for themselves or through, on behalf of or in conjunction with any other person or entity:

1. Divert or attempt to divert any customer of Tin Drum Asian Kitchen Restaurants to any other business;

2. Employ or seek to employ any person who is at that time employed by us or otherwise directly or indirectly induce such person to leave his or her employment;

3. Solicit other franchisees, nor use available lists of franchisees, for any commercial purpose;

4. Have any ownership interest in, or be engaged, employed by or involved in, either directly or indirectly any Competitor which is located within a 5-mile radius of the Site or the location of any Tin Drum Asian Kitchen Restaurant;

5. Authorize, assist, or induce another to develop, open or operate a Competitor which is located within a 5-mile radius of the Site or the location of any Tin Drum Asian Kitchen Restaurant.

C. Directives. In the event of any dispute related to this Article 16 you and your Owners direct any third party construing this Section, including without limitation any arbitrator or other party acting as trier or fact or law:

1. To conclusively presume that the restrictions set forth in this Section are reasonable and necessary in order to protect (i) our legitimate business interests, including without limitation the interests of our other franchisees; (ii) the confidentiality of our Confidential Information; (iii) the integrity of the System; (iv) our investment in the System; (v) the investment of our other franchisees in their Tin Drum Asian Kitchen Restaurants; (vi) the goodwill associated with the System;

2. To conclusively presume that the restrictions set forth in this Section 16 will not unduly burden you or your Owners ability to earn a livelihood;

3. To construe this Section under the laws governing distribution contracts between commercial entities in an arms-length transaction, and not under laws governing employment contracts; and

4. To conclusively presume that any violation of the terms of this Section 16 (i) was accompanied by the misappropriation and inevitable disclosure of Confidential Information; and (ii) constitutes a deceptive and unfair trade practice and unfair competition.

D. Interpretation. You and your Owners agree that each of the foregoing covenants is independent of any other covenant or provision of this Agreement. If all or any portion of the covenants in this Article 16 are held to be unenforceable or unreasonable by any court, then parties intend that the court modify such restriction to extent reasonably necessary to protect our legitimate business interests. You and your Owners agree that the existence of any claim you or they may have against us will not constitute a defense to the enforcement of the covenants of this Section. You agree to pay all damages, costs, and expenses (including reasonable attorney's fees) we may incur in enforcement of this Section. If a person fails to comply with the covenants in this Section, then the restrictive period will be extended for each day of noncompliance. We have the right to reduce the scope of any restrictive covenant set forth in this Section at any time, by giving notice to you.

E. Publicly Held Corporations. Section 16.A. and Section 16.B of this Agreement shall not apply to the ownership by you or your Owners of less than a 5% interest in the outstanding equity securities of any publicly-held corporation.

F. Execution of Covenants by Management. If we request, you will obtain the execution of covenants similar to those set forth in Article 9 (regarding confidentiality) and Article 16 (regarding non-competition and non-solicitation), including covenants applicable upon the termination of a person's relationship with you, from your officers, directors, managers, and other personnel we specify.

G. Covenant as to Anti-Terrorism Laws. You and your Owners agree to comply with, and/or to assist us to the fullest extent possible in our efforts to comply with the USA Patriot Act and USA Freedom Act, and all other present and future U.S. federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any governmental authority addressing or in any way relating to terrorist acts or acts of war.

17. INDEMNITY

A. We shall in no event assume liability for or be deemed liable under this Agreement as a result of any action or omission by you in your conduct of the Franchised Business or any claim or judgment arising therefrom against us. You shall defend at your own cost, and indemnify to the fullest extent permitted by law, us and our affiliates, and our respective past, present and future owners, officers, directors, managers, agents, employees and the predecessors, successors, heirs and assigns of any and all of the foregoing (collectively, "**Indemnitees**") from all losses and expenses (including, but not limited to, reasonable attorneys' fees, costs of investigation, settlement costs, and interest) incurred in connection with any action, suit, proceeding, claim, demand, investigation, or formal or informal inquiry (regardless of whether same is reduced to judgment) or any settlement thereof arising directly or indirectly from, as a result of, or in connection with (i) your activities under this Agreement, (ii) your default of any covenant, warranty, representations, agreement, or obligation set forth in this Agreement, (iii) your default or alleged default of any other agreement, (iv) your violation or alleged violation of any Laws (including, without limitation, Privacy Laws), standard or directive, or any industry standard, including without limitation any violation that results from your use of the System, (v) libel, slander, or any other form of defamation by you, (vi) acts, errors, omissions by you or any of your directors, officers, shareholders, partners, members, employees, agents and attorneys, or (vii) your activities relating to the operation of the Franchised Business, including but not limited to your preparation and/or sale of Products; (viii) your failure to comply with the laws and regulations of the U.S. Food and Drug Administration, Federal Trade Commission, State and local government agencies that relate to the presentation of nutritional information, including but not limited to menu labeling requirements, food sourcing and food preparation that does not conform to disclosed calories on menu boards, or (ix) your failure to maintain all required and recommended insurance policies and coverage amounts during the Term as set forth by us in this Agreement, the Manuals or otherwise in writing.

B. This indemnification shall include all losses alleging the negligence of Indemnitees, including without limitation negligence in supervisions and inspection of the Franchised Business, the System standards, but excluding any case which Indemnitee is determined by a court of competent jurisdiction to have engaged in grossly negligence or willful misconduct. This Article 17 shall survive termination or expiration of this Agreement.

C. You shall promptly notify us of any action, suit, proceeding, claim, demand, inquiry, investigation or default described in this Article 17. With respect to any threatened or actual litigation, proceeding, or dispute that could directly or indirectly affect us or any of the other Indemnitees under this Article 17, we will have the right, but not the obligation, to: (i) choose counsel; (ii) direct and control the handling of the matter; and (iii) settle any claim against the Indemnitees, at your cost and expense. No such undertaking by us will, in any manner or form, diminish your obligation to indemnify us and to hold us harmless.

D. Under no circumstances shall the Indemnitees be required or obligated to seek recovery from third parties or to otherwise mitigate their losses in order to maintain a claim against you. You agree that the failure to pursue recovery or to mitigate loss shall in no way reduce the amounts the Indemnitees may recover from you.

18. DISPUTE RESOLUTION

YOU AGREE THAT THIS ARTICLE 18 APPLIES TO ALL AGREEMENTS BETWEEN YOU (OR YOUR AFFILIATES) AND US ENTERED INTO PRIOR TO THE EFFECTIVE DATE, AND SUPERSEDES ANY PROVISION REGARDING DISPUTE RESOLUTION, JURISDICTION AND VENUE IN ANY SUCH PRIOR AGREEMENT.

A. Governing Law. This Agreement takes effect upon its acceptance and execution by us, and shall be interpreted and construed exclusively under the laws of the State of Georgia, which laws shall prevail in the event of any conflict of law (without regard to, and without giving effect to, the application of Georgia choice-of-law rules). Nothing in this Section is intended by the parties to subject this Agreement to any franchise, business opportunity, consumer protection, or similar law, rule, or regulation of the State of Georgia to which this Agreement would not otherwise be subject.

B. Notice and Opportunity to Cure. As a mandatory condition precedent prior to your taking any legal or other action against us, whether for damages, injunctive, equitable or other relief (including, but not limited to, rescission), you shall first give us 90 days prior written notice and opportunity to cure such alleged act or omission, or to resolve such matter.

C. Arbitration. Except as expressly provided to the contrary in this Agreement, any controversy or claim arising out of or relating to this Agreement or the relationship of the parties shall be settled by arbitration administered by the American Arbitration Association (the **"AAA"**) in accordance with its Commercial Arbitration Rules. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction. Any dispute as to whether this arbitration clause applies or whether any particular claim is subject to arbitration shall be decided by arbitration in accordance with this Section.

(i) The parties agree that, in any arbitration proceeding, each must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any claim which is not submitted or filed as required is waived and forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either party.

(ii) The parties agree that arbitration will be conducted on an individual basis, that neither party shall pursue class claims nor multi-plaintiff actions. Further, an arbitration proceeding between us and our affiliates, or any of the foregoing parties, on the one hand, and you and your affiliates, or any of the foregoing parties, on the other hand, may not be consolidated with any other arbitration proceeding to which we and/or our affiliates are a party. For purposes of this Section, our affiliates and your affiliates includes the respective shareholders, partners, members and other owners, officers, directors, managers, agents, representatives, employees, successors and assigns of us, you and our respective affiliates. If any court determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Section, then the parties agree that this arbitration clause shall not apply to that dispute and that such dispute shall be resolved in a judicial proceeding).

(iii) The place of arbitration shall be the AAA office located nearest to our principal place of business on the date the arbitration action is filed.

(iv) All documents, information, and results pertaining to any arbitration will be confidential, except as required by law or as required by us to comply with laws and regulations applicable to the sale of franchises.

(v) The parties will comply with this Agreement and perform their respective obligations under this Agreement during the arbitration process.

D. Venue. For any matter that is not subject to the arbitration provisions of **Section 18.C**, you and we each consent and irrevocably submit to the exclusive jurisdiction and venue of the state or superior court of Fulton County, Georgia and federal courts of competent jurisdiction in the Northern District for Georgia (Atlanta Division), and waive any objection to the jurisdiction and venue of such courts.

E. Waiver of Jury Trial. You (and your Owners) and we hereby irrevocably waive any right to a jury trial in any action between you (or your Owners) and us or our affiliates.

F. Limitation of Damages. In any dispute arising out of or relating to this Agreement, you (and your Owners) and we waive any right to punitive or other damages not measured by the prevailing party's actual damages, except for damages expressly authorized by the statute or this Agreement.

G. Time Limit on Claim. Any legal action arising from or related to this Agreement must be instituted within two years from the date that the party seeking to bring the action discovers the conduct or event that forms the basis of the legal action or the time period provided under applicable law, whichever is earlier. The foregoing time limit does not apply to (i) claims by us related to non-payment under this Agreement; (ii) indemnity claims under **Section 17**; and (iii) claims related to unauthorized use of Confidential Information or the Marks. This Section does not limit our right to terminate this Agreement.

H. Reservation. We reserve the right to seek injunctive relief and recovery for unpaid amounts owed to us in any court of competent jurisdiction, and to confirm or enforce judgments or awards in any appropriate jurisdiction. You agree that we may apply for such injunctive relief, without bond in excess of $1,000 and without proving actual damages, but upon due notice, in addition to such further and other relief as may be available at equity or law, and your sole remedy, in the event of the entry of such injunction, shall be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived).

I. Cumulative Rights and Remedies. No right or remedy conferred upon or reserved to us or you by this Agreement is intended to be, nor shall be deemed, to be exclusive of any other right or remedy provided or permitted in this Agreement, by law or at equity, but each right or remedy shall be cumulative of every other right or remedy.

J. Private Disputes. Any dispute and any litigation arising out of or related to this Agreement will be conducted and resolved on an individual basis only and not a class-wide, multiple plaintiff or similar basis. No litigation arising out of or relating to this Agreement or the System may be brought on behalf of any franchisee associations or groups, and you agree not to participate in any such litigation. Any such proceeding will not be consolidated with any other proceeding involving any other person, except for disputes involving affiliates of the parties to such litigation.

K. Attorneys' Fees. The party prevailing in any legal proceeding (including any legal proceeding by you or your Owners against any of our officers, directors, or direct or indirect owners), will be entitled to reimbursement of its costs and expenses, including reasonable accounting and attorneys' fees. "Prevailing party" means the party, if any, which substantially prevailed upon the central litigated issues. If O.C.G.A. 13-1-11 applies to any indebtedness owed by you to us, then the attorney fees will be deemed to be 15% of the principal and interest owed by you.

19. NOTICES

Any and all notices required or permitted under this Agreement shall be in writing and shall be (i) personally delivered; (ii) mailed by certified U.S. mail, return receipt requested; (iii) dispatched by overnight delivery service, such as UPS, Federal Express or DHL to the respective parties at the following address (for us) or at the address specified in **Attachment A** (for you) unless and until a different address has been designated by written notice to the other party:

Notices to Us:

Tin Drum Asiacafé, LLC
1299 Battle Creek Road, Unit 110
Jonesboro, Georgia 30236
Attention: Steven Chan, President

Notices will be deemed received upon the earlier on (i) the date and time of receipt; (ii) five (5) business days after being mailed by U.S. certified mail, return receipt requested; (iii) the next business day after having been deposited with an overnight delivery service for next business day delivery; or (iv) the intended recipient's failure or refusal to accept delivery. You agree that our revisions to the Manuals are not considered "notices" under this Agreement, and that we may issue such revisions by any manner we choose, including, without limitation, e-mail.

20. RELEASE OF PRIOR CLAIMS

By executing this Agreement, you, individually and on behalf of your heirs, legal representatives, successors and assigns, and each assignee of this Agreement by accepting assignment of the same, forever releases and discharges us and our affiliates, and our respective owners, directors, officers, employees, agents, and representatives, from any and all claims relating to or arising under any franchise agreement or any other agreement between the parties executed prior to the Effective Date including, but not limited to, any and all claims, whether presently known or unknown, suspected or unsuspected, arising under the franchise, securities or antitrust laws of the United States or of any state or territory thereof.

21. FORCE MAJEURE

If either party to this Agreement shall be delayed or hindered in or prevented from the performance of any act required under this Agreement by reason of strikes, lock-outs, inability to procure materials, failure of power, war, acts of terror, riots, labor troubles, insurrection, epidemics, widespread infectious disease or other causes beyond the reasonable control of the party required to perform such work or act under the terms of this Agreement not the fault of such party (a “**Force Majeure**”), then performance of such act shall be excused during the period of such Force Majeure. The party whose performance is affected by a Force Majeure shall give prompt, written notice to the other party of such Force Majeure. If there shall be a Force Majeure that we deem economically harmful or otherwise detrimental to us or the System, then we shall be entitled to terminate this Agreement on 90 days' written notice to you; provided, however, that we may withdraw such notice if, within such 90-day period, we determine that the economically harmful or otherwise detrimental effects have ceased. Notwithstanding the foregoing, the inability of either party to obtain and/or remit funds or otherwise pay amounts owed hereunder shall be considered within control of such party.

22. SEVERABILITY AND CONSTRUCTION

A. Relationship of the Parties. The parties are independent contractors, and neither is the agent, partner, joint venturer, or employee of the other. You agree that (i) we are not your fiduciary, (ii) we have no liability for your obligations to any third party whatsoever, (iii) you have no authority to make any contract, agreement, warranty or representations on our behalf or to incur any debt or obligation in our name. We may engage in any activity that we are not expressly prohibited from taking under this Agreement.

B. Severability. Every part of this Agreement is severable. If for any reason any part of this Agreement is held to be invalid, that determination will not impair any other part, or the rest, of this Agreement; provided, however, that if we determine that such finding of invalidity or illegality adversely affects the basic consideration of this Agreement, we, at our option, may terminate this Agreement.

C. Captions. All captions in this Agreement are intended solely for the convenience of the parties, and shall not be given any legal effect.

D. Time is of the Essence. If you fail to satisfy a condition or comply with an obligation of this Agreement which has a specified time period, we are not required to give you any additional time past the expiration of the time period to satisfy such condition or comply with such obligation.

E. No Third Party Beneficiaries. Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies under or as a result of this Agreement upon any person or entity other than you, us, and our affiliates.

F. No Waiver. No failure by us to exercise any power reserved to us by this Agreement, or to insist upon strict compliance by you with any obligation or condition in this Agreement, and no custom or practice of the parties at variance with the terms of this Agreement, shall constitute a waiver of our right to demand exact compliance with any of the terms in this Agreement. Our waiver of any particular default by you shall not affect or impair our rights with respect to any subsequent default, nor shall any delay, forbearance or omission of ours to exercise any power or right arising out of any breach or default by you of this Agreement affect or impair our right to exercise the same, nor shall such constitute a waiver by us of any right under this Agreement or the right to declare any subsequent breach or default and to terminate this Agreement prior to the expiration of its Term. Subsequent acceptance by us of any payments due to us under this Agreement shall not be deemed to be a waiver by us of any preceding breach by you of this Agreement.

G. No Implied Covenant. The parties have negotiated the terms of this Agreement and agree that neither party shall claim the existence of an implied covenant of good faith and fair dealing to contravene or limit any express written term or provision of this Agreement.

H. Written Consent. Whenever this Agreement requires our prior approval or consent, you shall make a timely written request to us and such approval or consent will not be effective unless made in writing.

I. Survival. Each provision of this Agreement that expressly or by implication is to be performed, in whole or in part, after the expiration, termination, or Transfer of this Agreement will survive such expiration, termination, or Transfer, including, but not limited to, Section 7 (regarding the Marks), Section 9 (regarding confidentiality), Section 10.A (regarding records and reports), Section 15 (regarding obligations upon termination), Section 16.B (regarding non-competition), Section 17 (regarding indemnification) and Section 18 (regarding dispute resolution).

J. Joint Liability. If two or more persons are at any time the “Franchisee” under this Agreement, whether as partners or joint venturers, their obligations and liabilities to us shall be joint and several.

K. Entire Agreement; Modification. This Agreement and all ancillary agreements executed contemporaneously with this Agreement constitute the entire agreement between the parties concerning the subject matter of this Agreement and supersede any and all prior negotiations, understandings, representations and agreements. Notwithstanding the foregoing, nothing in this Agreement shall disclaim, or require you to waive reliance on, any representation that we made in the most recent Franchise Disclosure Document that we delivered to you. Except for those acts that this Agreement permits us to take unilaterally, no amendment, change or variance from this Agreement shall be binding on the parties unless mutually agreed to by both parties and executed by themselves or their authorized officers or agents in writing.

L. Counterparts. This Agreement may be executed in multiple counterparts, and each copy so executed shall be deemed an original. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic execution and/or transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

M. Agreement Effective Upon Execution by Franchisor. This Agreement will not become effective unless and until signed by one of our authorized representatives. We may withdraw this Agreement at any time before it is signed by one of our authorized representatives, in which event this Agreement shall be null and void.

23. ACKNOWLEDGEMENTS

A. Reasonable Business Judgment. We acknowledge and agree that we will, and you acknowledge and agree that we may, use Reasonable Business Judgment in the exercise of our rights, discharge of our obligations, and exercise of our discretion, and in all circumstances where we are required to give our consent, unless this Agreement expressly provides some other standard. "Reasonable Business Judgment" shall mean that our determinations or choices will prevail, even if other alternatives are also reasonable or arguably preferable, if we intend to benefit, or act in a way that could benefit, the System (by, for example, enhancing the value of the Marks, increasing franchisee or guest satisfaction, or increasing our financial strength). You agree to this concept of Reasonable Business Judgment in acknowledgment of the fact that we should have at least as much discretion in administering the System as a corporate board of directors has in directing a corporation and because the long-term interests of the System, all franchisees and owners of franchised businesses in the System, and we and our owners, taken together, require that we have the latitude to exercise Reasonable Business Judgment. We shall not be required to consider a franchisee's particular economic or other circumstances or to slight our own economic or other business interests when we exercise our Reasonable Business Judgment. You acknowledge and agrees that: (i) we have a legitimate interest in seeking to maximize the return to our equity holders; and (ii) the fact that we or our affiliates benefit economically from an action will not be relevant to showing that we did not exercise Reasonable Business Judgment. Neither you nor any third party (including without limitation any third party acting as a trier of fact or law) shall substitute your, his, her, or its judgment for our Reasonable Business Judgment. In a given situation, you shall have the burden of establishing, by clear and convincing proof, that we failed to exercise Reasonable Business Judgment.

B. Nature of Obligations. You acknowledge and agree that: (i) all obligations we owe under this Agreement we owe to you alone; and (ii) no other person or entity, including without limitation your affiliates, and your and such affiliates' directors, officers, shareholders, partners, members, employees, and agents, and the predecessors, successors, heirs, and assigns of any of them, shall be entitled to rely on, enforce, or obtain relief for breach of, any of our obligations arising out of or related to this Agreement, whether directly, indirectly, by subrogation, as an intended third-party beneficiary, or otherwise. You acknowledge and agree that: (i) all obligations of us under this Agreement are owed by us alone; and (ii) no other person or entity, including without limitation our officers, members, employees, and agents, and our affiliates and their directors, officers, shareholders, partners, members, employees, and agents, and the predecessors, successors, heirs, and assigns of any of them, shall be subject to liability under this Agreement.

C. Variance. You agree that we have the right to, in our sole discretion and from time to time, approve exceptions or changes to the standards or specifications of the System for any franchisee (including, without limitation, the amount and payment terms of any fee) that we deem necessary or desirable based upon that particular franchisee's qualifications, the peculiarities of a particular site or circumstances, the demographics of the trade area, business potential, existing business practices, or any other condition which we deem to relevant to a particular Tin Drum® Asian Kitchen Restaurant or group of restaurants. We will not be required to disclose or grant to you the same or a similar variance. You further acknowledge that other franchisees, whether existing now or in the future, will operate under different forms of the franchise

D. Your Employees. Under no circumstances shall your managerial personnel or other employees be deemed our employees. You acknowledge that you are the sole employer of the employees of the Franchised Business and you are solely responsible for all labor relations and employment practices in the Franchised Business. You acknowledge that we do not dictate or control labor or employment matters for you and your employees. Any materials, guidance, and assistance that we may provide with respect to employment-related policies and procedures, whether in the Manuals or otherwise, are solely for your optional use. You will determine to what extent, if any, these materials, guidance or assistance should be applied to your employees. You agree to indemnify and hold us harmless from any and all liability, including costs, attorney's fees or other damages which result directly or indirectly from your employees and independent contractors.

E. Investigation of the Franchise. You acknowledge that you have conducted an independent investigation of the business contemplated by this Agreement and recognize that an investment in a Tin Drum Asian Kitchen Restaurant involves business risks, that your success is largely dependent on your own abilities, efforts and active participation in the daily affairs of the Franchised Business, and that the nature of operating a Tin Drum Asian Kitchen Restaurant may change over time.

F. Review of Documents. You acknowledge and agree that (i) our review of any lease, loan agreement, purchase agreement, sale agreement, assignment, transfer agreement, site plan, or other agreement or document you propose to enter into or provide is solely to ensure that our interests are adequately protected; (ii) we are not undertaking any such review on your behalf or for your benefit; (iii) our review will not replace review by your accountant, attorney, architect, and other business and professional advisors; and (iv) we will have no responsibility or liability related to such review.

G. Ability to Enter into Agreement. You represent, on behalf of you and your Owners, that (i) your entering into this Agreement or operating the Franchised Business does not violate any confidentiality or non-competition agreement by which you or your Owners are bound; (ii) neither you nor any of your Owners are employed by or engaged by a Competitor, or are a direct or indirect owner of any Competitor; and (iii) neither you nor any of your Owners are listed or "blocked" in connection with, and are not in violation under, any anti-terrorism law, regulation, or executive order.

H. No Unauthorized Representations or Commitments. You acknowledge and agree that: (i) we do not permit any agreements or commitments, and do not approve any changes in this Agreement, except by means of a written amendment signed by the parties to this Agreement; and (ii) if any representations or commitments, or any promises of changes in this Agreement, have been made to you that are not in an amendment signed by our authorized officer and delivered to you, such representations, commitments, and promises will not be enforceable.

I. Receipt; No Contrary Representations; No Financial Performance Representations. You acknowledge that:

1. You received our Franchise Disclosure Document at least 14 days prior to the date on which you executed this Agreement or paid us any consideration related to the Franchised Business.

2. You received a copy of this complete Franchise Agreement, the attachments to this Agreement, and all agreements related to this Agreement, in any, complete and with all blanks filled in, at least 7 days prior to the date on which you executed this Agreement or paid us any consideration related to the Franchised Business.

3. Neither we, nor any person or entity acting on our behalf, has made any representation, commitment, claim, or statement to you that is different from, or that is contrary to, any of the representations, commitments, claims or statements contained in our Franchise Disclosure Document.

4. Neither we, nor any person or entity acting on our behalf, made any oral, written, visual or other representation, commitment, claim, or statement from which any level or range of actual or potential sales, costs, income, expenses, profits, cash flow, or otherwise might be ascertained, related to a Tin Drum Asian Kitchen Restaurant, that is different from or contrary to information contained in our Franchise Disclosure Document.

5. The acknowledgements and agreements set forth in this Section: (i) are intended to show that this Agreement supports disclosures set forth in our Franchise Disclosure Documents, and that this Agreement does not waive or contravene such disclosures; (ii) are not a waiver of your right to relief for violation of any laws governing the offer and sale of franchises, but rather are your acknowledgement and agreement that no such violations occurred; and (iii) are being relied upon by us to our detriment in connection with our decision to enter into this Agreement with you.

[Remainder of Page Intentionally Left Blank]

This Agreement is executed by:

FRANCHISOR:

TIN DRUM ASIACAFÉ, LLC

____
By: Steven Chan
Its: President
Date:________________________________

FRANCHISEE:

[if an individual]

____
Name: ______________________________
Date: _______________________________

[if an entity]

____

By: ________________________________
Name: ______________________________
Title: _______________________________
Date: _______________________________

[Signature Page to Tin Drum Asiacafé, LLC Franchise Agreement]

ATTACHMENT A
FRANCHISE DATA SHEET

1. Effective Date: The Effective Date set forth in the introductory paragraph is ____________.

2. Type of Franchise: The type of franchise acquired is listed below.

Type	Check One
Single Franchise Initial Franchise Fee Paid: $49,000	______
Multi-Franchise Package – Up to 2 Franchised Businesses Initial Franchise Fee Paid: $79,000 If you are acquiring a Multi Franchise Package, you will sign the Multi-Franchise Addendum.	______
Multi-Franchise Package – Up to 3 Franchised Businesses Initial Franchise Fee Paid: $119,000 If you are acquiring a Multi Franchise Package, you will sign the Multi-Franchise Addendum.	______
Multi Franchise Package (if the Franchise Agreement was previously signed and this Agreement is for an additional Franchised Business under a Multi-Franchise Addendum) Initial Franchise Fee Paid: See initial Franchise Agreement and Multi-Franchise Addendum attached thereto. The Franchised Business is number __ of ___ franchises to be developed under the Multi-Franchise Addendum attached thereto.	______
Franchise under Development Agreement Initial Franchise Fee Paid: See Development Agreement The Franchised Business is number __ of ___ franchises to be developed under the Development Agreement.	______

3. Initial Franchise Fee. The Initial Franchise Fee under Section 4.A is $________ *(should correspond to the chart above; no initial franchise fee will apply if this Agreement is pursuant to*

a previously executed initial Franchise Agreement and Multi-Franchise Addendum OR Development Agreement).

4. Opening Assistance Fee. The Opening Assistance Fee under Section 4.B is $__________. *(only due for the first Franchised Business).*

5. Site. The Site of the Franchised Business under Section 5.A is below:

____
____
____
____

6. Designated Area. If your Site is not known on the Effective Date, you must locate the Franchised Business within the following area: ____. *You will be notified by us in writing of your Protected Territory once your Site has been accepted.*

☐ Check if map is attached.

7. Protected Territory. If the Site is known, the Protected Territory for the Franchised Business is: ____.

☐ Check if map is attached.

8. Your address for notices under Section 19 is:

____
____
____
____

IN WITNESS WHEREOF, the parties hereto have duly signed and delivered this **Attachment A** on the day and year first written above.

FRANCHISOR:

TIN DRUM ASIACAFÉ, LLC

____
By: Steven Chan
Its: President
Date:______________________________

FRANCHISEE:

[if an individual]

____
Name: _____________________________
Date: ______________________________

[if an entity]

____

By: ________________________________
Name: _____________________________
Title: ______________________________
Date: ______________________________

[Signature Page to Tin Drum Asiacafé, LLC Franchise Agreement – Attachment A]

ATTACHMENT B

STATEMENT OF OWNERSHIP INTERESTS

Franchisee Name: ___________________________

1. Entity Information. Check one:

Corporation ☐
Limited Liability Company ☐
Partnership ☐
Sole Proprietorship ☐

State of formation: ___________________________

2. Control. All people who have management rights and powers (e.g., officers, directors, managers, partners, General Manager etc.) and their positions:

Name	Position(s)

3. Owners. All people who have any direct or indirect ownership of the Franchised Business.

Name	Shares or Percentage of Ownership

4. Operating Principal *(see Section 6.C)*: _____________________________

The undersigned certifies that the above information is true and correct:

FRANCHISEE:

____
Name: _______________________________
Date: ________________________________

MULTI-FRANCHISE ADDENDUM

THIS MULTI-FRANCHISE ADDENDUM (this **"Addendum"**) is entered into and made effective as of the date set forth on the signature page hereof by and between Tin Drum Asiacafé, LLC, a Georgia limited liability company (**"Franchisor"**) and the franchisee named on the signature page of this Addendum (**"Franchisee"**). This Addendum relates to that certain Tin Drum Asian Kitchen franchise agreement dated ______________ (**"Franchise Agreement"**), and supplements the terms of the Franchise Agreement in relation to the opening of additional Tin Drum Asian Kitchen franchises. All capitalized terms not otherwise defined in this Addendum shall have the meaning set forth in the Franchise Agreement. To the extent this Addendum conflicts with the terms of the Franchise Agreement, the terms of this Addendum shall control.

1. Initial Franchise Fee. Franchisee has paid the initial franchise fee listed in **Attachment A** to the Franchise Agreement.

2. Type of Franchise. Franchisee has purchased the franchise listed in the chart below, which allows Franchisee to open a certain number of additional Tin Drum Asian Kitchen franchises at a later date (**"Additional Franchises"**) without paying an initial franchise fee.

Type	Check One
Multi-2 Franchise Package – the right to open 1 Additional Franchise (2 total) Initial Franchise Fee Paid: $79,000	______
Multi-3 Franchise Package – the right to open 2 Additional Franchises (3 total) Initial Franchise Fee Paid: $119,000	______

3. Limited Rights. This Addendum does not grant Franchisee the right to franchise, license, subfranchise, or sublicense others to operate Tin Drum Asian Kitchen businesses. Only Franchisee (and/or Franchisee-affiliated entities Franchisor approves) may develop, open, and operate Additional Franchises pursuant to this Addendum and Tin Drum Asian Kitchen franchise agreements. This Addendum only grants Franchisee the right to enter into Tin Drum Asian Kitchen franchise agreements to open Additional Franchises subject to the terms of the franchise agreement for such Additional Franchises. Franchisee is not granted any territorial rights or other rights except those granted under the franchise agreement pursuant to the Tin Drum Asian Kitchen franchise agreements for the Additional Franchises. Except for the initial franchise fee, Franchisee shall be liable for all costs and expenses incurred in opening the Additional Franchises.

4. Term. This Addendum and Franchisee's right to open Additional Franchises shall terminate as of the earlier of (a) five years from the date hereof; or (b) date of termination or expiration of the Franchise Agreement.

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

FRANCHISOR:

TIN DRUM ASIACAFÉ, LLC

____
By: Steven Chan
Its: President
Date:__________________________

FRANCHISEE:

[if an individual]

____
Name: ________________________
Date: _________________________

[if an entity]

____

By: ___________________________
Name: ________________________
Title: _________________________
Date: _________________________

[Signature Page to Tin Drum Asiacafé, LLC Multi-Franchise Addendum]

PAYMENT AND PERFORMANCE GUARANTY

This Payment and Performance Guaranty (the "**Guaranty**") is given this ____ day of _________, 20 , by the undersigned in connection with the execution of the Franchise Agreement dated _________________________ 20 (the "**Franchise Agreement**") between TIN DRUM ASIACAFÉ, LLC ("**Franchisor**") and _________________________ ("**Franchisee**").

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

Each Guarantor has read the terms and conditions of the Franchise Agreement and acknowledges that the execution of this Guaranty and the undertakings of Franchisee in the Franchise Agreement are in partial consideration for, and a condition to, Franchisor's willingness to enter into the Franchise Agreement, and that Franchisor would not have entered into the Franchise Agreement without the execution of this Guaranty and such undertakings by each Guarantor.

Each Guarantor waives:

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

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

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

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

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

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

Each Guarantor consents and agrees that:

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

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

(iii) such liability will not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and

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

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

Each Guarantor individually, jointly and severally, also makes all of the covenants, representations, warranties and agreements Franchisee set forth in the Franchise Agreement and is obligated to perform thereunder, including, without limitation, under Sections 1, 9, 13, 15, 16, 17, 18 and 20 (which include, among other things, the ARBITRATION OF DISPUTES and WAIVERS OF JURY TRIAL RIGHTS AND PUNITIVE DAMAGES).

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

IN WITNESS WHEREOF, each Guarantor now signs and delivers this Guaranty effective as of the date of the Franchise Agreement, regardless of the actual date of signature.

GUARANTORS

____
Name: ________________________

____
Name: ________________________

____
Name: ________________________

Name: ______________________

EXHIBIT C TO THE DISCLOSURE DOCUMENT

DEVELOPMENT AGREEMENT

DEVELOPMENT AGREEMENT

This Development Agreement is made and entered into as of this _____ day of _____________, 20__ (the **"Effective Date"**) by and between **TIN DRUM ASIACAFÉ, LLC,** a Georgia limited liability company (**"we"**, **"us"** or **"our"**), and **_________________, ______________** (**"you"** or **"your"**).

Background Statement

WHEREAS, we have developed a unique and distinctive system (the "**System**") for the establishment and operation of Tin Drum Asian Kitchen restaurants (each restaurant operating under the System is referred to herein as a **"Restaurant"**) that offer high quality Pan-Asian cuisine and certain specialty beverages such as milk tea, fruit tea, and slushies made fresh in the restaurant using proprietary recipes and incorporating Thai, Japanese, Chinese and Vietnamese elements and menu items. The System includes our distinctive trade dress, décor, and color scheme; distinctive standards, specifications, and procedures for quality control; training and ongoing operational assistance; and advertising and promotional programs; all of which we may add to, delete from, or modify, from time to time.

WHEREAS, the System is identified by means of certain trade names, service marks, trademarks, logos, emblems and indicia of origin owned by us, including TIN DRUM®, TIN DRUM ASIACAFÉ® and TIN DRUM ASIAN KITCHEN® (collectively, the "**Marks**"). We may add to, delete from, or modify the Marks from time to time.

WHEREAS, we and you desire to enter into a development agreement under which you will obtain the right to establish and operate a specified number of Restaurants within a specified geographical area upon the terms and conditions contained in our then-current standard franchise agreement (each, a **"Franchise Agreement"**); and

WHEREAS, we and you have entered into a Franchise Agreement dated the same date as this Agreement for the establishment and operation of the first Restaurant to be developed under this Agreement (the **"Initial Franchise Agreement"**).

NOW, THEREFORE, for and in consideration of the foregoing premises and the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

For and in consideration of the mutual premises herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, do hereby agree as follows:

1. Grant of Development Rights and Development Territory. Subject to the terms of this Agreement, we grant you the right to establish, open and operate Tin Drum Asian Kitchen restaurants (each, a **"Restaurant"** or collectively, **"Restaurants"**) within the geographic area specified on **Exhibit A** (the **"Development Territory"**). This Agreement does not grant you any right to use the Marks; rights to use the Marks are granted only by the Franchise Agreements.

2. Fees. The total amount of the initial franchise fees to be paid for the Restaurants under the Initial Franchise Agreement and subsequent Franchise Agreements to be entered into hereunder is

$__________. Initial franchise fees are not refundable, notwithstanding anything to the contrary in this Agreement or any Franchise Agreement.

3. **Schedule.** You agree to establish and operate a total of ___ Restaurants within the Development Territory during the term of this Agreement in accordance with the development schedule below (the **"Development Schedule"**).

NUMBER OF RESTAURANTS The Minimum Number of Restaurants in Compliance by Each Opening Deadline	**FRANCHISE AGREEMENT SIGNING DEADLINE** Deadline for Executing Franchise Agreement	**OPENING DEADLINE** Deadline for Having the Minimum Number of Restaurants Open and Operating
1	N/A	
2		
3		
4		
5		
6		

By each **"Franchise Agreement Signing Deadline"**, you must have delivered to us a signed copy of our then-current standard form of Franchise Agreement. By each **"Opening Deadline"**, you must have the specified cumulative number of Restaurants open and operating. You must locate the Restaurants only at sites that we have accepted in accordance with the terms of the applicable Franchise Agreement.

4. **Territorial Protections.** During the term of this Agreement, so long as you have strictly complied with this Agreement, you shall have all rights with respect to the Development Area that you have in the Protected Territory under the Initial Franchise Agreement.

5. **Term.** Except as otherwise provided herein, this Agreement shall expire on the last Opening Deadline.

6. **Defaults and Termination.**

A. **Event of Default.** Any one or more of the following constitutes an **"Event of Default"** hereunder:

i. you fail to open and operate Restaurants in accordance with the Development Schedule, including, without limitation, the failure to timely execute a Franchise Agreement for any such Restaurant;

ii. A default occurs under any Franchise Agreement with you or your affiliates and such default remains uncured after any applicable cure period granted under such Franchise Agreement; or

iii. you breach or otherwise fail to comply fully with any provision contained in this Agreement, and fail to cure such breach within 30 days after written notice thereof.

B. **Franchisor's Remedies.** If any Event of Default occurs under **Section 6.A**, we may declare this Agreement and any and all other rights granted to you hereunder to be immediately terminated and of no further force or effect. Upon termination of this Agreement for any reason whatsoever, you will not be relieved of your obligations, debts or liabilities hereunder, including without limitation any debts, obligations or liabilities which have accrued prior to such termination. The right of termination granted by this **Section 6.B.** is in addition to, and not in lieu of, any and all other rights and remedies available to us at law, in equity or otherwise, all of which are cumulative. However, an Event of Default hereunder by reason of your failure to open and operate Restaurants as required by **Section 3** hereof shall not constitute a default under any Franchise Agreement between us and you or your affiliates notwithstanding anything to the contrary contained therein.

7. Assignment.

A. **Assignment by Us.** We may transfer or assign this Agreement, or any of our rights or obligations under this Agreement, to any person or entity, and we may undergo a change in ownership and/or control, without your consent. After such transfer or assignment, you shall look solely to the transferee or assignee, and not to us, for the satisfaction of any obligation transferred or assigned. We may also, without your consent, transfer, assign or otherwise alter any or all of the ownership interest in us.

B. **Assignment by You.** You acknowledge that the rights and duties set forth in this Agreement are personal to you (and to your owners, if applicable) and that we have entered into this Agreement in reliance on your business skill, financial capacity, personal character, experience, and business ability. Accordingly, you (and your owners, if applicable) may not conduct or undergo a Transfer (as defined herein), without our consent, which may be arbitrarily withheld in our sole discretion. Without limiting the foregoing, we have no obligation to approve any Transfer unless you have assigned all of your rights in all Franchise Agreements relating to Restaurants within the Development Territory to the proposed assignee in accordance with the provisions of the applicable Franchise Agreement(s). **"Transfer"** means for you or any owner to voluntarily or involuntarily transfer, sell, assign, delegate, convey, gift, pledge, mortgage, encumber or dispose of, in any single or series of transactions, any direct, indirect, or beneficial interest in you or this Agreement.

8. Covenants.

A. **In-Term Restrictive Covenants.** You and your owners specifically acknowledge that you and they will receive access to valuable specialized training and confidential information, and that such specialized training and confidential information provide a competitive advantage to the System. During the term of this Agreement, neither you nor any of your owners shall, directly or indirectly, for yourself or themselves or through, on behalf of or in conjunction with any other person or entity:

i. Divert or attempt to divert any customer of Restaurants to any other business or to perform any other act injurious or prejudicial to the goodwill associated with the Marks or the System;

ii. Employ or seek to employ any person who is at that time employed by us or otherwise directly or indirectly induce such person to leave the employ of said party;

iii. Solicit other franchisees, nor use available lists of franchisees, for any commercial purpose other than purposes directly related to the operation of the Restaurants;

iv. Have any ownership interest in, or be engaged or employed by, business which sells (a) Pan-Asian cuisine and includes but is not limited to (1) Pei Wei, (2) Panda Express, (3) Sarku Japan, (4) Benihana, (5) Mama Fu's, (6) Teriyaki Madness, (7) Asian Box, (8) Wow Boa, and (9) Samurai Sam's; or (b) Asian-style milk tea, fruit tea, slushies or other specialty beverages which, in the aggregate comprise, 10% or more of the business' revenue (any of the businesses referred to in subparagraph (a) and (b) is a **"Competitor"**); and

v. Authorize, assist, or induce another to develop, open or operate a Competitor.

B. Post-Term Restrictive Covenants. You and your owners covenant that, with respect to you, for a continuous uninterrupted period commencing upon the expiration, termination, or Transfer of this Agreement for any reason or, with respect to each of the owners, commencing on the earlier of: (i) the expiration or termination of this Agreement for any reason; or (ii) the time such person ceases to be an owner of you, and continuing for two years thereafter, except as otherwise approved in writing by us, neither you nor any of your owners shall, directly or indirectly, for themselves or through, on behalf of or in conjunction with any other person or entity:

i. Divert or attempt to divert any customer of Restaurants to any other business;

ii. Employ or seek to employ any person who is at that time employed by us or otherwise directly or indirectly induce such person to leave his or her employment;

iii. Solicit other franchisees, nor use available lists of franchisees, for any commercial purpose;

iv. Have any ownership interest in, or be engaged, employed by or involved in, either directly or indirectly any Competitor which is located within a 5-mile radius of the location of any Restaurant; or

v. Authorize, assist, or induce another to develop, open or operate a Competitor which is located within a 5-mile radius of the location of any Restaurant.

C. Directives. In the event of any dispute related to this **Section 8**, you and your owners direct any third party construing this Section, including without limitation any arbitrator or other party acting as trier or fact or law:

i. To conclusively presume that the restrictions set forth in this **Section 8** are reasonable and necessary in order to protect (i) our legitimate business interests, including without limitation the interests of our other franchisees; (ii) the confidentiality of our confidential information; (iii) the integrity of the System; (iv) our investment in the System; (v) the investment of our other franchisees in their Restaurants; (vi) the goodwill associated with the System;

ii. To conclusively presume that the restrictions set forth in this **Section 8** will not unduly burden you or your owners' ability to earn a livelihood;

iii. To construe this **Section 8** under the laws governing distribution contracts between commercial entities in an arms-length transaction, and not under laws governing employment contracts; and

iv. To conclusively presume that any violation of the terms of this **Section 8** (i) was accompanied by the misappropriation and inevitable disclosure of confidential information; and (ii) constitutes a deceptive and unfair trade practice and unfair competition.

D. Interpretation. You and your owners agree that each of the foregoing covenants is independent of any other covenant or provision of this Agreement. If all or any portion of the covenants in this **Section 8** are held to be unenforceable or unreasonable by any court, then parties intend that the court modify such restriction to extent reasonably necessary to protect our legitimate business interests. You and your owners agree that the existence of any claim you or they may have against us will not constitute a defense to the enforcement of the covenants of this **Section 8**. You agree to pay all damages, costs, and expenses (including reasonable attorney's fees) we may incur in enforcement of this **Section 8**. If a person fails to comply with the covenants in this **Section 8**, then the restrictive period will be extended for each day of noncompliance. We have the right to reduce the scope of any restrictive covenant set forth in this Section at any time, by giving notice to you.

E. Publicly Held Corporations. Section 8.A and **Section 8.B** of this Agreement shall not apply to the ownership by you or your owners of less than a 5% interest in the outstanding equity securities of any publicly-held corporation.

F. Execution of Covenants by Management. If we request, you will obtain the execution of covenants similar to those set forth in this **Section 8**, including covenants applicable upon the termination of a person's relationship with you, from your officers, directors, managers, and other personnel we specify.

G. Covenant as to Anti-Terrorism Laws. You and your owners agree to comply with, and/or to assist us to the fullest extent possible in our efforts to comply with the USA Patriot Act and USA Freedom Act, and all other present and future U.S. federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any governmental authority addressing or in any way relating to terrorist acts or acts of war.

9. <u>Disputes</u>.

YOU AGREE THAT THIS ARTICLE 10 APPLIES TO ALL AGREEMENTS BETWEEN YOU (OR YOUR AFFILIATES) AND US ENTERED INTO PRIOR TO THE EFFECTIVE DATE, AND SUPERSEDES ANY PROVISION REGARDING DISPUTE RESOLUTION, JURISDICTION, AND VENUE IN ANY SUCH PRIOR AGREEMENT.

A. Governing Law. This Agreement takes effect upon its acceptance and execution by us, and shall be interpreted and construed exclusively under the laws of the State of Georgia, which laws shall prevail in the event of any conflict of law (without regard to, and without giving effect to, the application of Georgia choice-of-law rules). Nothing in this Section is intended by the parties to subject this Agreement to any franchise, business opportunity, consumer protection, or similar law, rule, or regulation of the State of Georgia to which this Agreement would not otherwise be subject.

B. Notice and Opportunity to Cure. As a mandatory condition precedent prior to your taking any legal or other action against us, whether for damages, injunctive, equitable or other relief (including, but not limited to, rescission), you shall first give us 90 days prior written notice and opportunity to cure such alleged act or omission, or to resolve such matter.

C. Arbitration. Except as expressly provided to the contrary in this Agreement, any controversy or claim arising out of or relating to this Agreement or the relationship of the parties shall be settled by arbitration administered by the American Arbitration Association (the **"AAA"**) in accordance with its Commercial Arbitration Rules. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction. Any dispute as to whether this arbitration clause applies or whether any particular claim is subject to arbitration shall be decided by arbitration in accordance with this Section.

(i) The parties agree that, in any arbitration proceeding, each must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any claim which is not submitted or filed as required is waived and forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either party.

(ii) The parties agree that arbitration will be conducted on an individual basis, that neither party shall pursue class claims nor multi-plaintiff actions. Further, an arbitration proceeding between us and our affiliates, or any of the foregoing parties, on the one hand, and you and your affiliates, or any of the foregoing parties, on the other hand, may not be consolidated with any other arbitration proceeding to which we and/or our affiliates are a party. For purposes of this Section, our affiliates and your affiliates includes the respective shareholders, partners, members and other owners, officers, directors, managers, agents, representatives, employees, successors and assigns of us, you and our respective affiliates. If any court determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Section, then the parties agree that this arbitration clause shall not apply to that dispute and that such dispute shall be resolved in a judicial proceeding).

(iii) The place of arbitration shall be the AAA office located nearest to our principal place of business on the date the arbitration action is filed.

(iv) All documents, information, and results pertaining to any arbitration will be confidential, except as required by law or as required by us to comply with laws and regulations applicable to the sale of franchises.

(v) The parties will comply with this Agreement and perform their respective obligations under this Agreement during the arbitration process.

D. Venue. For any matter that is not subject to the arbitration provisions of **Section 9.C**, you and we each consent and irrevocably submit to the exclusive jurisdiction and venue of the state or superior court of Fulton County, Georgia and federal courts of competent jurisdiction in the Northern District for Georgia (Atlanta Division), and waive any objection to the jurisdiction and venue of such courts.

E. Reservation. We reserve the right to seek injunctive relief and recovery for unpaid amounts owed to us in any court of competent jurisdiction, and to confirm or enforce judgments or awards in any appropriate jurisdiction. You agree that we may apply for such injunctive relief, without bond in excess of $1,000 and without proving actual damages, but upon due notice, in addition to such further and other relief as may be available at equity or law, and your sole remedy, in the event of the entry of such injunction, shall be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived).

F. Waiver of Jury Trial. You (and your owners) and we hereby irrevocably waive any right to a jury trial in any action between you (or your owners) and us or our affiliates.

G. Limitation of Damages. In any dispute arising out of or relating to this Agreement, you (and your owners) and we waive any right to punitive or other damages not measured by the prevailing party's actual damages, except for damages expressly authorized by the statute or this Agreement.

H. Time Limit on Claim. Any legal action arising from or related to this Agreement must be instituted within two years from the date that the party seeking to bring the action discovers the conduct or event that forms the basis of the legal action or the time period provided under applicable law, whichever is earlier. The foregoing time limit does not apply to (i) claims by us related to non-payment under this Agreement; and (ii) claims related to covenants against competition. This Section does not limit our right to terminate this Agreement in any way.

I. Cumulative Rights and Remedies. No right or remedy conferred upon or reserved to us or you by this Agreement is intended to be, nor shall be deemed, to be exclusive of any other right or remedy provided or permitted in this Agreement, by law or at equity, but each right or remedy shall be cumulative of every other right or remedy.

J. Private Disputes. Any dispute and any litigation arising out of or related to this Agreement will be conducted and resolved on an individual basis only and not a class-wide, multiple plaintiff or similar basis. No litigation arising out of or relating to this Agreement or the System may be brought on behalf of any franchisee associations or groups, and you agree not to participate in any such litigation. Any such proceeding will not be consolidated with any other proceeding involving any other person, except for disputes involving affiliates of the parties to such litigation.

K. Attorneys' Fees. The party prevailing in any legal proceeding (including any legal proceeding by you or your owners against any of our officers, directors, or direct or indirect owners), will be entitled to reimbursement of its costs and expenses, including reasonable accounting and attorneys' fees. **"Prevailing party"** means the party, if any, which substantially prevailed upon the central litigated issues. If O.C.G.A. 13-1-11 applies to any indebtedness owed by you to us, then the attorney fees will be deemed to be 15% of the principal and interest owed by you.

10. <u>Miscellaneous</u>.

A. Notices. Any and all notices required or permitted under this Agreement shall be in writing and shall be (i) personally delivered; (ii) mailed by certified U.S. mail, return receipt requested; (iii) dispatched by overnight delivery service, such as UPS, Federal Express or DHL to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to Us:

Tin Drum Asiacafé, LLC
1299 Battle Creek Road
Unit 110
Jonesboro, Georgia 30236
Attention: Steven Chan, President

Notices to you:

____
____
____
____

Notices will be deemed received upon the earlier on (i) the date and time of receipt; (ii) five (5) business days after being mailed by U.S. certified mail, return receipt requested; (iii) the next business day after having been deposited with an overnight delivery service for next business day delivery; or (iv) intended recipient's failure or refusal to accept delivery.

B. Force Majeure. If either party to this Agreement shall be delayed or hindered in or prevented from the performance of any act required under this Agreement by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, war, acts of terror, riots, insurrection, epidemics, widespread infectious diseases, or other causes beyond the reasonable control of the party required to perform such work or act under the terms of this Agreement not the fault of such party (a "**Force Majeure**"), then performance of such act shall be excused during the period of such Force Majeure. The party whose performance is affected by a Force Majeure shall give prompt, written notice to the other party of such Force Majeure. If there shall be a Force Majeure that we deem economically harmful or otherwise detrimental to us or the System, then we shall be entitled to terminate this Agreement on 90 days' written notice to you; provided, however, that we may withdraw such notice if, within such 90-day period, we determine that the economically harmful or otherwise detrimental effects have ceased. Notwithstanding the foregoing, the inability of either party to obtain and/or remit funds or otherwise pay amounts due hereunder shall be considered within control of such party.

C. Relationship of the Parties. The parties are independent contractors, and neither is the agent, partner, joint venturer, or employee of the other. You agree that (i) we are not your fiduciary, (ii) we have no liability for your obligations to any third party whatsoever, (iii) you have no authority to make any contract, agreement, warranty or representations on our behalf or to incur any debt or obligation in our name. We may engage in any activity that we are not expressly prohibited from taking under this Agreement.

D. Severability. Every part of this Agreement is severable. If for any reason any part of this Agreement is held to be invalid, that determination will not impair any other part, or the rest, of this Agreement; provided, however, that if we determine that such finding of invalidity or illegality adversely affects the basic consideration of this Agreement, we, at our option, may terminate this Agreement.

E. Captions. All captions in this Agreement are intended solely for the convenience of the parties, and shall not be given any legal effect.

F. Time is of the Essence. If you fail to satisfy a condition or comply with an obligation of this Agreement which has a specified time period, we are not required to give you any additional time past the expiration of the time period to satisfy such condition or comply with such obligation.

G. No Third-Party Beneficiaries. Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies under or as a result of this Agreement upon any person or entity other than you, us, and our affiliates.

H. No Waiver. No failure by us to exercise any power reserved to us by this Agreement, or to insist upon strict compliance by you with any obligation or condition in this Agreement, and no custom or practice of the parties at variance with the terms of this Agreement, shall constitute a waiver of our right to demand exact compliance with any of the terms in this Agreement. Our waiver of any particular default by you shall not affect or impair our rights with respect to any subsequent default, nor shall any delay, forbearance or omission of ours to exercise any power or right arising out of any breach or default by you of this Agreement affect or impair our right to exercise the same, nor shall such constitute a waiver by us of any right under this Agreement or the right to declare any subsequent breach or default and to terminate this Agreement prior to the expiration of its Term. Subsequent acceptance by us of any payments due to us under this Agreement shall not be deemed to be a waiver by us of any preceding breach by you of this Agreement.

I. No Implied Covenant. The parties have negotiated the terms of this Agreement and agree that neither party shall claim the existence of an implied covenant of good faith and fair dealing to contravene or limit any express written term or provision of this Agreement.

J. Written Consent. Whenever this Agreement requires our prior approval or consent, you shall make a timely written request to us and such approval or consent will not be effective unless made in writing.

K. Survival. Each provision of this Agreement that expressly or by implication is to be performed, in whole or in part, after the expiration, termination, or Transfer of this Agreement will survive such expiration, termination, or Transfer, including, but not limited to, **Section 8** (regarding confidentiality) and **Section 9** (regarding dispute resolution).

L. Joint Liability. If two or more persons are at any time the "Developer" under this Agreement, whether as partners or joint venturers, their obligations and liabilities to us shall be joint and several.

M. Entire Agreement; Modification. This Agreement and all ancillary agreements executed contemporaneously with this Agreement constitute the entire agreement between the parties concerning the subject matter of this Agreement and supersede any and all prior negotiations, understandings, representations and agreements. Notwithstanding the foregoing, nothing in this Agreement shall disclaim, or require you to waive reliance on, any representation that we made in the most recent Franchise Disclosure Document that we delivered to you. Except for those acts that this Agreement permits us to take unilaterally, no amendment, change or variance from this Agreement shall be binding on the parties unless mutually agreed to by both parties and executed by themselves or their authorized officers or agents in writing.

N. Counterparts. This Agreement may be executed in multiple counterparts, and each copy so executed shall be deemed an original. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic execution and/or transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

O. Agreement Effective Upon Execution by Franchisor. This Agreement will not become effective unless and until signed by one of our authorized representatives. We may withdraw this Agreement at any time before it is signed by one of our authorized representatives, in which event this Agreement shall be null and void.

P. Investigation of the Franchise. You acknowledge that you have conducted an independent investigation of the business contemplated by this Agreement and recognize that an investment in a Restaurant involves business risks, that your success is largely dependent on your own abilities, efforts and active participation in the daily affairs of the Restaurant, and that the nature of operating a Restaurant may change over time.

Q. Ability to Enter into Agreement. You represent, on behalf of you and your owners, that (i) your entering into this Agreement or operating the Restaurant does not violate any confidentiality or non-competition agreement by which you or your owners are bound; (ii) neither you nor any of your owners are employed by or engaged by a Competitor, or are a direct or indirect owner of any Competitor; and (iii) neither you nor any of your owners are listed or "blocked" in connection with, and are not in violation under, any anti-terrorism law, regulation, or executive order.

R. No Unauthorized Representations or Commitments. You acknowledge and agree that: (i) we do not permit any agreements or commitments, and do not approve any changes in this Agreement, except by means of a written amendment signed by the parties to this Agreement; and (ii) if any representations or commitments, or any promises of changes in this Agreement, have been made to you that are not in an amendment signed by our authorized officer and delivered to you, such representations, commitments, and promises will not be enforceable.

S. Receipt; No Contrary Representations; No Financial Performance Representations. You acknowledge that:

i. You received our Franchise Disclosure Document at least 14 days prior to the date on which you executed this Agreement or paid us any consideration related to the Restaurant.

ii. You received a copy of this complete Agreement, the attachments to this Agreement, and all agreements related to this Agreement, in any, complete and with all blanks filled in, at least 7 days prior to the date on which you executed this Agreement or paid us any consideration related to the Restaurant.

iii. Neither we, nor any person or entity acting on our behalf, has made any representation, commitment, claim, or statement to you that is different from, or that is contrary to, any of the representations, commitments, claims or statements contained in our Franchise Disclosure Document.

iv. Neither we, nor any person or entity acting on our behalf, made any oral, written, visual or other representation, commitment, claim, or statement from which any level or range of actual or potential sales, costs, income, expenses, profits, cash flow, or otherwise might be ascertained, related to a Restaurant, that is different from or contrary to information contained in our Franchise Disclosure Document.

v. The acknowledgements and agreements set forth in this Section: (a) are intended to show that this Agreement supports disclosures set forth in our Franchise Disclosure Documents, and that this Agreement does not waive or contravene such disclosures; (b) are not a waiver of your right to relief for violation of any laws governing the offer and sale of franchises, but rather are your acknowledgement and agreement that no such violations occurred; and (c) are being relied upon by us to our detriment in connection with our decision to enter into this Agreement with you.

FRANCHISOR:

TIN DRUM ASIACAFÉ, LLC

____
By: Steven Chan
Its: President
Date:__________________________________

FRANCHISEE:

[if an individual]

____
Name:____________________________________
Date:_____________________________________

[if an entity]

By:______________________________________
Name:____________________________________
Title:_____________________________________

EXHIBIT A
TO THE
DEVELOPMENT AGREEMENT

1. Development Territory. [or attachment map]

____
____
____

2. Form of Ownership. Check one:

Corporation ☐
Limited Liability Company ☐
Partnership ☐
Sole Proprietorship ☐

3. Business Entity.

Name of Entity:
Date of formation: ______________________________
State of formation: ______________________________

4. Owners. All people who have any direct or indirect ownership of you.

Name	Shares or Percentage of Ownership

DEVELOPER:

____
Name: ________________________________
Date: _________________________________

PAYMENT AND PERFORMANCE GUARANTY

This Payment and Performance Guaranty (the "**Guaranty**") is given this ____ day of _________, 20 , by the undersigned in connection with the execution of the Multi-Unit Area Agreement dated _________________________ 20 (the "**Development Agreement**") between TIN DRUM ASIACAFÉ, LLC ("**Franchisor**") and _________________________ ("**Developer**").

In consideration of, and as an inducement to, Franchisor's execution of the Development Agreement, each of the undersigned and any other parties who sign counterparts of this Guaranty (individually, a "**Guarantor**" and collectively, the "**Guarantors**") hereby personally and unconditionally guarantee to Franchisor and its successors and assigns, that Developer will punctually perform all of its obligations and pay all amounts due under the Development Agreement or otherwise owing by Developer to Franchisor or its affiliates.

Each Guarantor has read the terms and conditions of the Development Agreement and acknowledges that the execution of this Guaranty and the undertakings of Developer in the Development Agreement are in partial consideration for, and a condition to, Franchisor's willingness to enter into the Development Agreement, and that Franchisor would not have entered into the Development Agreement without the execution of this Guaranty and such undertakings by each Guarantor.

Each Guarantor waives:

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

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

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

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

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

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

Each Guarantor consents and agrees that:

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

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

(iii) such liability will not be contingent or conditioned upon pursuit by Franchisor of any remedies against Developer or any other person; and

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

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

Each Guarantor individually, jointly and severally, also makes all of the covenants, representations, warranties and agreements Developer set forth in the Multi-Unit Area Agreement and is obligated to perform thereunder, including, without limitation, under Sections 9, 10, and 11 (which include, among other things, the ARBITRATION OF DISPUTES and WAIVERS OF JURY TRIAL RIGHTS AND PUNITIVE DAMAGES).

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

IN WITNESS WHEREOF, each Guarantor now signs and delivers this Guaranty effective as of the date of the Multi-Unit Area Agreement, regardless of the actual date of signature.

GUARANTORS

____
Name: ____________________________

____
Name: ____________________________

____
Name: ____________________________

____
Name: ____________________________

EXHIBIT D TO THE DISCLOSURE DOCUMENT

PRE-AUTHORIZED BANK FORM

ELECTRONIC FUNDS TRANSFER (EFT) AUTHORIZATION

Franchisee Information:

Franchisee Name : Restaurant No.

Franchisee Mailing Address (street) Franchisee Phone No.

Franchise Mailing Address (city, state, zip)

Contact Name, Address and Phone number (if different than above)

Franchisee E-mail Address

Bank Account Information:

Bank Name Bank Account No.

Bank Routing No.

[: [:
(9 characters)

Bank Mailing Address (city, state, zip)________________________ Bank Phone No. _________________

Payee Information: TIN DRUM ASIACAFÉ, LLC

Authorization: The Franchisee hereby authorizes the Bank to honor and charge the Bank Account for electronic funds transfers or drafts drawn on the Bank Account and payable to the Payees. The amount of such charge shall be set forth in a notice from the Payees presented to the Bank on Wednesday of each week. The Franchisee agrees to execute such additional documents as may be reasonably requested by the Payees or the Bank to evidence the interest of this EFT Authorization. This authority shall remain in full force and effect until the Payees have received written notification from the Franchisee in such time and manner as to afford the Payees and the Bank to act on such notice. The Franchisee understands that the termination of this authorization does not relieve the Franchisee of its obligations to make payments to the Payees.

Signature:___________________________ Date:_________________________

NOTE: FRANCHISEE MUST ATTACH A VOIDED CHECK RELATING TO EACH BANK ACCOUNT.

EXHIBIT E TO THE DISCLOSURE DOCUMENT

ADDENDUM TO LEASE AGREEMENT/ CONDITIONAL ASSIGNMENT OF LEASE

ADDENDUM TO LEASE AGREEMENT/ CONDITIONAL ASSIGNMENT OF LEASE

Landlord/Lessor:____________________________ Tenant/Lessee:____________________________

Notice Address:____________________________ Notice Address:____________________________

____ ____

Franchisor: Tin Drum Asiacafé, LLC

Notice Address: 1299 Battle Creek Road
Unit 110
Jonesboro, Georgia 30236

Date: Effective as of the Date of the Lease Between Landlord and Tenant (the "**Lease**")

Leased Premises/Location of Leased Site: (Center Name/Address):________________________________

____

Landlord, Franchisor, and Tenant agree to this addendum ("**Addendum**") as follows:

1. Tenant is a TIN DRUM ASIAN KITCHEN franchisee. The Leased Premises shall be used solely for the operation of an Asian-themed restaurant, offering for sale a wide range of menu items and other products, at retail, and related products or services approved by the Franchisor under the trade name **TIN DRUM®, TIN DRUM ASIAN KITCHEN®,** or any name authorized by the Franchisor, pursuant to Tenant's franchise agreement (the "**Franchise Agreement**") with Franchisor. The Landlord acknowledges that such use shall not violate any existing exclusives granted to any other existing tenant of the Landlord.

2. Landlord shall provide to Franchisor, at Franchisor's then current Notice Address, copies of any written Notice of Default ("**Default**") given to Tenant under the Lease, concurrently with giving such notices to Tenant. Landlord grants to Franchisor, at Franchisor's option, the right (but not the obligation) to cure any Default under the Lease (should Tenant fail to do so) within 15 days after the expiration of the period in which Tenant may cure the Default.

3. In the event of a Default of the Lease by Tenant, a default of the Franchise Agreement by Tenant, a default by Tenant under any loan agreement or any related loan documents with Franchisor or its affiliate, or expiration or termination of the Franchise Agreement, and upon written notice to Landlord by Franchisor to accept written assignment of the Lease to Franchisor as replacement tenant ("**Agreement Notice**"), Franchisor (or its designee acceptable to Landlord) shall become Tenant of the Leased Premises and shall become liable for all obligations under the Lease arising after the date of the Assignment Notice.

4. No amendment or variation of the terms of this Addendum shall be valid unless made in writing and signed by the parties.

5. All notices given pursuant to this Addendum must be sent by registered or certified mail, postage prepaid, to the party's address set forth above. Any party may change its address for receiving notices by giving the other parties written notice of the new address.

Landlord/Lessor

By:_______________________________

Name:______________________________

Its:_______________________________

Tenant/Lessee/Franchisee

By:_______________________________

Name:______________________________

Its:_______________________________

Tin Drum Asiacafé, LLC / FRANCHISOR

By:_______________________________

Name:______________________________

Its:_______________________________

EXHIBIT F TO THE DISCLOSURE DOCUMENT

OPERATING MANUAL TABLE OF CONTENTS

TABLE OF CONTENTS

EXHIBIT G TO THE DISCLOSURE DOCUMENT

NONDISCLOSURE AND NONCOMPETITION AGREEMENT

NONDISCLOSURE AND NONCOMPETITION AGREEMENT

This NONDISCLOSURE AND NONCOMPETITION AGREEMENT (the "Agreement") is made and entered into this ___ day of _________________, 20___, by and between _________________, residing at _________________, who presently is a manager or assistant manager of a Tin Drum Asian Kitchen Restaurant, or a director, manager or officer of a Tin Drum Asian Kitchen franchisee (the "Employee") and _________________, a _________________, and its successors and assigns (the "Employer").

RECITALS:

A. Employer is a company engaged in the business of owning and operating a Tin Drum Asian Kitchen franchise under a license granted by Tin Drum Asiacafé, LLC (the "Franchisor").

B. Employer is desirous of protecting its rights and interests in and to the Tin Drum Asian Kitchen franchise that Franchisor has granted to Employer, including operating systems, sales and marketing programs and ideas, and all information and documents relating thereto.

C. Employee is being retained by Employer to provide services as the for Employer.

D. Employer will provide substantial opportunities to the Employee in the conduct of Employee's position including, but not limited to, present and future earnings, access to potential and existing customers and clients, and Employer's and Franchisor's confidential and proprietary information. Employee further acknowledges that Employer would not employ or continue to employ Employee without Employee's agreeing to be bound by the restrictions contained in this Agreement.

AGREEMENTS:

NOW, THEREFORE, in consideration of the premises, which Employee agrees is good and valuable consideration, the receipt of which hereby is acknowledged, Employee represents and warrants to Employer and covenants and agrees with Employer as follows:

1. Recitals. The statements made in the Recitals above are true and accurate and are incorporated herein.

2. Specialized Knowledge and Training. Employee acknowledges and agrees that:

(a) the knowledge and experience that Employee will acquire while associated with and/or employed by Employer is of a special, unique, and extraordinary character and that Employee's position with Employer places Employee in a position of a confidence and trust with the customers, clients, sales agents, contacts, account executives, investors, accounts, associates and employees of Employer and allow Employee access to Confidential Information (as that term is defined in *Section* 6 below), which access Employee would not have but for Employee's relationship with Employer; and

(b) Employer will make substantial investments of time and capital in the development of Employee's goodwill, education and expertise, from which Employee will receive a substantial and direct economic benefit.

3. Operating System and Trademarks. Employee acknowledges and agrees that:

(a) Franchisor is the creator and owner of the trade secrets, products, concept, style, confidential information, format and operating system (collectively, the "Operating System") and the logotypes, service marks and trademarks now or hereafter involved in the operation of a Tin Drum Asian Kitchen Restaurant using the style, trademark, service mark, and trade name Tin Drum Asian Kitchen (collectively, the "Trademarks"), and the good will associated therewith, and has granted to Employer the right and license to operate a Restaurant using the Operating System and the Trademarks subject to the continuing control by Franchisor of the dissemination and use of the Operating System and the Trademarks;

(b) Employee has obtained or will obtain knowledge of the Operating System in connection with its association with or employment by either Franchisor and/or Employer, which knowledge obtained or to be obtained by Employee was unknown to it prior to said employment and/or the execution of this Agreement, and which knowledge is a prerequisite for Employee's employment; and

(c) Because the protection of the Operating System and the Trademarks is vital to the continued success of Franchisor and franchisees of Franchisor, Franchisor is unwilling to permit Employer to disclose to Employee the Operating System except upon the terms set forth in this Agreement, including the requirements of confidentiality, nondisclosure and noncompetition as set forth in this Agreement.

4. Ownership of Operating System and Trademarks. Employee acknowledges and agrees that Franchisor is the sole and exclusive owner of all right, title and interest in and to the Operating System and the Trademarks, and that the Operating System and the Trademarks shall be used by Employee only in accordance with the terms hereof. Employee shall acquire no right, title or interest in or to the Operating System and/or the Trademarks. Employee shall not, directly or indirectly, at any time during or after the term of Employee's employment by or association with Employer's Tin Drum Asian Kitchen Restaurant, do or cause to be done any act or thing disputing, attacking, or in any way impairing or intending to impair Franchisor's right, title, or interest in or to the Operating System or the Trademarks. Employee shall immediately notify Employer of all infringements of the Operating System or the Trademarks by others that come to Employee's attention and of all challenges to or limitations on Franchisor's use of the Operating System or any of the Trademarks.

5. Nondisclosure of Confidential Information. The parties hereto acknowledge that during the period in which the Employee is employed by or associated with Employer (the "Employment Period"), the Employee shall use, receive, conceive or develop Confidential Information (as that term is defined in *Section* 6 below). Employee covenants and agrees that during the Employment Period and at all times thereafter, Employee shall not, except with the prior written consent of Employer or Franchisor, which consent shall be granted or denied at the Employer's or Franchisor's sole and absolute discretion, or except if acting solely for the benefit of Employer in connection with Employer's business and in accordance with the Employer's business practices and policies, at any time disclose, divulge, report, transfer or use, for any purposes whatsoever, any of such Confidential Information which has been used, received, conceived or developed by Employee. Employee also recognizes that such Confidential Information represents a valuable asset of the Employer and Franchisor and is required to ensure the effective and successful conduct of their respective businesses.

6. Confidential Information. For purposes of this Agreement, the term "Confidential Information" shall mean all of the following materials and information that Employee uses, receives, conceives or develops or has used, received, conceived or developed, in whole or in part, in connection with Employee's employment by or association with Employer:

(a) The Operating System and Trademarks;

(b) The contents of any manuals or other written materials of Franchisor, Employer, or any of Franchisor's subsidiaries or affiliates;

(c) The names and information relating to customers and prospective customers of Employer, or other persons, firms, corporations or other entities with whom the Employee has contact with on behalf of Employer or to whom any other employee of Employer has provided goods or services at any time;

(d) The terms of various agreements between Employer and any third parties, including without limitation, the terms of customer agreements, vendor or supplier agreements, lease agreements, advertising agreements and the like;

(e) Any data or database, or other information compiled by Employer, including, but not limited to, customer lists, customer information, information concerning Employer, or any business in which Employer is engaged or contemplates becoming engaged, any company that Employer engages in business, any customer, prospective customer or other person, firm or corporation to whom or which Employer has provided goods or services or to whom or which any employee of Employer has provided goods or services on behalf of Employer, or any compilation, analysis, evaluation or report concerning or deriving from any data or database, or any other information;

(f) All policies, procedures, strategies and techniques regarding the services performed by Franchisor, training, marketing and sales of Franchisor, specifically including but not limited to the Operating System and Trademarks, either oral or written, and assorted lists containing information pertaining to customers and prospective customers; and

(g) Any other information, data, know-how or knowledge of a confidential or proprietary nature observed, used, received, conceived or developed by Employee in connection with Employee's employment by Employer.

7. Use and Return of Confidential Information.

(a) The Employee agrees that under no circumstance and at no time shall any of the Confidential Information be taken from Employer's premises and that under no circumstances and at no time shall any of the Confidential Information be duplicated, in whole or in part, without the express written permission of Employer, which permission may be granted or denied in its sole and absolute discretion.

(b) The Employee agrees that, upon termination of employment with Employer, Employee shall return to Employer all such Confidential Information, which is in Employee's possession regardless of the form in which any such materials are kept.

(c) The Employee covenants and agrees that all right, title and interest in any Confidential Information shall be and shall remain the exclusive property of Employer and/or Franchisor. Employee agrees to promptly disclose to Employer all Confidential Information developed in whole or in part by Employee within the scope of this Agreement and to assign to Employer and/or Franchisor any right, title or interest Employee may have in such Confidential Information. Employee agrees to turn over to the Employer all physical manifestations of the Confidential Information in Employee's possession or under Employee's control at the request of Employer.

8. In-Term Non-Solicitation and Non-Competition. In order to protect the goodwill of the Operating System and Trademarks, during the term of Employee's employment by or association with Employer, Employee shall not, directly or indirectly:

(a) Directly or indirectly divert, or attempt to divert, any business opportunity or customer of Employer or Franchisor to any competitor, or do or perform, directly or indirectly, any act injurious or prejudicial to the goodwill associated with the Operating System and the Trademarks;

(b) Employ or seek to employ any person who is at that time employed by Employer or Franchisor, or otherwise directly or indirectly induce such person to leave the employ of Employer or Franchisor;

(c) Develop, own, manage, operate, be employed by or have any interest in any business or facility (other than a licensed Tin Drum Asian Kitchen Restaurant), which is the same as or substantially similar to a Restaurant (including, without limitation, any restaurant or food service facility owning, operating or managing, or granting franchises or licenses to others to do so, any business that offers as a primary menu item or mix of menu items Pan-Asian or Asian cuisine and/or where fifty percent (50%) or more of the menu items consist of the same or similar items as those typically offered by a Tin Drum Asian Kitchen Restaurant), wherever located.

9. Post-Term Non-Solicitation and Non-Competition. In order to protect the goodwill of the Operating System and Trademarks, for a period of two (2) years following the termination of Employer's employment by or association with Employer, for any reason, Employee shall not, directly or indirectly:

(a) Directly or indirectly divert, or attempt to divert, any business opportunity or customer of Employer or Franchisor to any competitor, or do or perform, directly or indirectly, any act injurious or prejudicial to the goodwill associated with the Operating System and the Trademarks;

(b) Employ or seek to employ any person who is at that time employed by Employer or Franchisor, or otherwise directly or indirectly induce such person to leave the employ of Employer or Franchisor;

(c) Develop, own, manage, operate, be employed by or have any interest in any business or facility (other than a licensed Tin Drum Asian Kitchen Restaurant) which is the same as or substantially similar to a Restaurant (including, without limitation, any restaurant or food service facility owning, operating or managing, or granting franchises or licenses to others to do so, any business that offers as a primary menu item or mix of menu items Pan-Asian or Asian cuisine and/or where fifty percent (50%) or more of the menu items consist of the same or similar items as those typically offered by a Tin Drum Asian Kitchen Restaurant), and which is located within a radius of five (5) miles of the Employer's Restaurant or any other Restaurant (whether company-owned or franchised).

At no time during or after the term of Employee's employment by or association with Employer shall Employee use or duplicate the Operating System or the Trademarks, except pursuant to a valid license from Franchisor. Employee expressly agrees that the restrictive covenants contained in *Sections* 8 and 9: (i) are reasonable as to time and geographical area; (ii) do not place an unreasonable burden on Employee; and (iii) are supported by adequate consideration to Employee.

10. At-Will Employment. The mere entering into this Agreement by Employee shall not operate so as to require Employer to continue to employ Employee, and Employee hereby represents and warrants to Employer that Employee has not received any promises or guarantees, implied or express, of such continued employment by or association with Employer. Employee agrees that this Agreement shall

be applicable to Employee regardless of whether the termination of its employment by or association with Employer occurs at the instance of Employee or Employer and, if at the instance of Employer, regardless of whether the termination was for cause. Employee further agrees that Employee's breach of this Agreement shall be grounds for the termination of Employee's employment.

11. Enforcement and Remedies. Employee agrees that a breach or default of the terms of this Agreement will cause irreparable harm to Employer and/or Franchisor and, therefore, in the event of any such breach or default, Employer and/or Franchisor shall be entitled to injunctive relief, specific performance, or other equitable relief. Employer and/or Franchisor shall be entitled to a restraining order or injunction without bond and without specific proof of irreparable harm and without specific proof of an inadequate remedy at law. Any specific right or remedy set forth in this Agreement shall not be exclusive, but shall be cumulative to other remedies available to Employer and/or Franchisor under this Agreement or at law or in equity, including injunctive relief, specific performance and recovery of money damages. The failure of Employer and/or Franchisor to enforce any of the provisions of this Agreement shall not constitute a waiver thereof or otherwise operate to limit any of Employer's and/or Franchisor's rights hereunder. The existence of any claim, defense or cause of action that Employee may have against Employer and/or Franchisor, regardless of cause or origin, shall not constitute a defense against the enforcement of this Agreement by Employer and/or Franchisor against Employee.

12. Toll Period. In the event Employee shall violate any provision of this Agreement as to which there is a specific time period during which Employee is prohibited from taking certain actions or from engaging in certain activities, as set forth in such provision, then, such violation shall toll the running of such time period from the date of such violation until such violation shall cease.

13. Successors and Assigns. This Agreement shall be binding upon Employee and his or her heirs, personal representatives, successors and assigns, and shall inure to the benefit of Employer and Franchisor (Franchisor being an intended third-party beneficiary hereof, with independent rights to enforce this Agreement) and their respective heirs, personal representatives, successors and assigns. Employee expressly agrees that this Agreement shall be assignable by Employer to a successor to the business of Employer and Employee hereby expressly consents to such assignment. Franchisor's rights under this Agreement are fully assignable and transferable and shall inure to the benefit of Franchisor's affiliates, successors and assigns.

14. Miscellaneous:

(a) Time is of the essence of this Agreement and of every term, covenant and condition hereof.

(b) The headings in this Agreement are for convenience only and are not to be construed as a part of this Agreement or in any way defining, limiting or amplifying the provisions hereof.

(c) If Employer or Franchisor retains an attorney or institutes a suit against Employee in any way connected with this Agreement or its enforcement, or to utilize remedies for its breach, they (if prevailing) shall be entitled to recover from Employee reasonable attorneys' fees (not to exceed actual attorneys' fees incurred) and all costs in connection with said enforcement or suit, whether or not suit is filed or, if filed, is prosecuted to judgment.

(d) This Agreement shall be governed by, construed and enforced under the laws of the State of____whose courts shall have jurisdiction over any legal proceedings arising out of this Agreement, and_______County, shall be the place of venue for any such action or proceedings. [*Insert State and County where Employer's Franchise is located]*

(e) The invalidity or unenforceability of any covenant, term or condition of this Agreement, or any portion of any covenant, term or condition of this Agreement, shall not affect any other covenant, term or condition or portion thereof and this Agreement shall remain in effect as if such invalid or unenforceable covenant, term or condition (or portion thereof) were not contained herein; provided that the invalidity of any such provision does not materially and adversely affect the expected benefits accruing to any party hereunder.

(f) This Agreement contains the entire agreement between the parties and supersedes all prior and contemporaneous understandings, representations, warranties, and agreements. This Agreement shall not be amended or modified, except in writing signed by all parties hereto.

15. <u>WAIVER OF JURY TRIAL</u>. EMPLOYEE HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES THE RIGHT EMPLOYEE MAY HAVE TO A TRIAL BY JURY OF, UNDER, OR IN CONNECTION WITH EMPLOYEE'S EMPLOYMENT WITH EMPLOYER, THIS AGREEMENT, OR ANY AGREEMENT OR DOCUMENT EXECUTED IN CONJUNCTION HEREWITH OR ANY COURSE OF CONDUCT, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY RELATING HERETO OR THERETO.

16. <u>Acknowledgment</u>. Employee acknowledges that Employee understands the terms and conditions set forth in this Agreement and has had adequate time to consider whether to agree to them and to consult a lawyer, if Employee wished to do so.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

EMPLOYER:	**EMPLOYEE:**
______________________________	______________________________
By: ___________________________	______________________________
[Print Name]	
	______________________________
	[Print Name and Title]

EXHIBIT H TO THE DISCLOSURE DOCUMENT

STATE SPECIFIC ADDENDA AND RIDERS

ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT
FOR TIN DRUM ASIACAFÉ, LLC
STATE OF CALIFORNIA

The following paragraphs are added to the Disclosure Document:

> OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT FINANCIAL PROTECTION AND INNOVATION at www.dfpi.ca.gov.
>
> 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.
>
> The State of California has codified regulations specific to the food service industry which may be applicable to you. You may refer to California Plan Check Guide for Retail Food Facilities at: http://www.ccdeh.com/resources/documents/food-safety-guidelines-1/152-california-plan-check-guide-for-retail-food-facilities-2/file.
>
> For further requirements, please see the California Retail Food Code at http://www.cdph.ca.gov/services/Documents/fdbRFC.pdf.
>
> The maximum interest rate allowed in California is 10%.
>
> Item 5 and Item 7 are amended to include the following:
>
> As a condition of registration in California, we will defer the collection of initial fees from you until after all of our pre-opening obligations have been satisfied. In the case of a multi-unit or development package, we will defer the collection of initial fees until after all of our pre-opening obligations have been satisfied for the first unit.
>
> If you will be selling alcoholic beverages, you must comply with state and local laws, including the requirements set forth in the Alcoholic Beverage Control Act and the California Code of Regulations, Title 4 for the sale of alcoholic beverages.

The following paragraphs are added at the end of Item 17 of the Disclosure Document pursuant to regulations promulgated under the California Franchise Investment Law:

> **California Law Regarding Termination and Nonrenewal**. California Business and Professions Code Sections 20000 through 20043 provide rights to franchisees concerning termination, transfer or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

Termination Upon Bankruptcy. 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.).

Post-Termination Noncompetition Covenants. The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the respective agreement. These provisions may not be enforceable under California law.

Applicable Law. The Franchise Agreement requires application of the laws of the State of Georgia with certain exceptions. These provisions may not be enforceable under California law.

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

CALIFORNIA RIDER TO
TIN DRUM ASIACAFÉ, LLC
FRANCHISE AGREEMENT

THIS RIDER (the "**Rider**") is effective as of _____________ (the "**Agreement Date**"), and amends the Franchise Agreement dated _____________ (the **"Franchise Agreement**"), between **TIN DRUM ASIACAFÉ, LLC** ("**we**," "**us**," "**our**" or the "**Franchisor**") and __________________ ("**you**," "**your**" or the "**Franchisee**").

1. **Precedence and Defined Terms**. This Rider is an integral part of, and is incorporated into, the Franchise Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Franchise Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Franchise Agreement.

2. **Fee Deferral.** Section 4A of the Franchise Agreement is amended to include the following:

As a condition of registration in California, we will defer the collection of the Initial Franchise Fee and Opening Assistance Fee until after all of our pre-opening obligations have been satisfied. In the case of a Multi-Franchise Package or Development Agreement, we will defer the collection of the Initial Franchise Fee and Opening Assistance Fee until after all of our pre-opening obligations have been satisfied with respect to the first Franchised Business.

3. **Effective Date**. This Rider is effective on the Agreement Date regardless of the actual date of signature.

Intending to be bound, the parties sign and deliver this Rider to each other as shown below.

US:	**You:**
TIN DRUM ASIACAFÉ, LLC	______________________________
By: ______________________________	By: ______________________________
Name: ______________________________	Name: ______________________________
Title: ______________________________	Title: ______________________________
Date: ______________________________	Date: ______________________________

CALIFORNIA RIDER TO
TIN DRUM ASIACAFÉ, LLC
DEVELOPMENT AGREEMENT

THIS RIDER (the "**Rider**") is effective as of ________ (the "**Agreement Date**"), and amends the Development Agreement dated _____________ (the **"Development Agreement**"), between **TIN DRUM ASIACAFÉ, LLC** ("**we**," "**us**," "**our**" or the "**Franchisor**") and __________________ ("**you**," "**your**" or the "**Franchisee**").

1. **Precedence and Defined Terms**. This Rider is an integral part of, and is incorporated into, the Development Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Development Agreement.

2. **Fee Deferral.** Section 2 of the Development Agreement is amended to include the following:

As a condition of registration in California, we will defer the collection of the initial franchise fees for the Initial Franchise Agreement and subsequent Franchise Agreements to be entered into hereunder until after all of our pre-opening obligations have been satisfied under the Initial Franchise Agreement.

3. **Effective Date**. This Rider is effective on the Agreement Date regardless of the actual date of signature.

Intending to be bound, the parties sign and deliver this Rider to each other as shown below.

US:	**You:**
TIN DRUM ASIACAFÉ, LLC	______________________________
By: ______________________	By: ______________________
Name: ____________________	Name: ____________________
Title: _____________________	Title: _____________________
Date: _____________________	Date: _____________________

ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT
FOR TIN DRUM ASIACAFÉ, LLC
STATE OF ILLINOIS

The following is added to Item 17:

The conditions under which you can be terminated and your rights on non-renewal may be affected by Illinois law, 815 ILCS 705/1-44.

The Illinois Franchise Disclosure Act will govern any franchise agreement if: (a) it applies to a franchise located in Illinois; or (b) a franchisee who resides in Illinois.

Any condition of the franchise agreement that designates litigation, jurisdiction or venue in a forum outside of Illinois is void as to any cause of action that otherwise is enforceable in Illinois provided the franchise agreement may provide for arbitration in a forum outside of Illinois.

Be advised that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of Illinois is void. No person may be prevented from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of the Illinois Franchise Disclosure Act, nor shall arbitration of any claim pursuant to the provisions of Title 9 of the United States Code be prevented.

RIDER TO
TIN DRUM ASIACAFÉ, LLC
FRANCHISE AGREEMENT
FOR USE IN ILLINOIS

THIS RIDER (the "**Rider**") is effective as of ______________, 20__ (the "**Agreement Date**"), and amends the Franchise Agreement dated _________________, 20___ (the "**Agreement**"), between **TIN DRUM ASIACAFÉ, LLC** ("**we**," "**us**," "**our**" or the "**Franchisor**") and ____________________("**you**," "**your**" or the "**Franchisee**").

1. **Precedence and Defined Terms**. This Rider is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. **Termination**. The following is added to Section 14 of the Agreement:

   The conditions under which this franchise can be terminated and the parties' rights on termination may be affected by Illinois law, 815 ILCS 705/1-44.

3. **Release of Prior Claims**. Section 20 of the Agreement is deleted in its entirety.

4. **Entire Agreement**. Section 22.K. of the Agreement is amended by adding the following:

   Nothing contained in the Agreement waives any of the Franchisee's right to rely on the disclosure made by the Franchisor in its Franchise Disclosure Document or any corresponding rights the Franchisee has under the Illinois Act.

5. **Limitation of Claims**. The following is added to Section 18.G. of the Agreement:

   No action can be maintained to enforce any liability created by the Illinois Franchise Disclosure Law (the "**Illinois Act**") unless brought before the earlier of (i) the expiration of 3 years from the act or transaction constituting the violation upon which such action is based; (ii) the expiration of 1 year after you become aware of facts or circumstances reasonably indicating that you may have a claim for relief in respect to conduct governed by the Illinois Act; or (iii) 90 days after delivery to you of a written notice disclosing the violation.

6. **Governing Law and Jurisdiction**. Sections 18.C. and 18.D. of the Agreement are amended by adding the following:

   All matters coming under the Illinois Act will be governed by the Illinois Act. The parties irrevocably submit to the jurisdiction and venue of the federal and state courts in Illinois for all matters coming under the Illinois Act.

7. **Waiver of Jury Trial**. Section 18.E. of the Agreement is deleted in its entirety.

8. **Enforcement**. Add Section L to Section 18 of the Agreement to read as follows:

   Any condition, stipulation, or provision contained in the Agreement purporting to waive compliance with any provision of the Illinois Act or any other Illinois law is void.

9. Be advised that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of Illinois is void. No person may be prevented from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of the Illinois Franchise Disclosure Act, nor shall arbitration of any claim pursuant to the provisions of Title 9 of the United States Code be prevented.

Intending to be bound, the parties sign and deliver this Rider in 2 counterparts effective on the Agreement Date, regardless of the actual date of signature.

US:	**You:**
TIN DRUM ASIACAFÉ, LLC	______________________________
By: ______________________________	By: ______________________________
Name: ______________________________	Name: ______________________________
Title: ______________________________	Title: ______________________________
Date: ______________________________	Date: ______________________________

ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT
FOR TIN DRUM ASIACAFÉ, LLC
STATE OF MARYLAND

THIS ADDENDUM (the "**Addendum**") amends the Franchise Disclosure Document of **TIN DRUM ASIACAFÉ, LLC** for its Tin Drum Asian Kitchen Franchise.

Sections (c) and (m) of Item 17 are amended by adding the following language:

> Pursuant to COMAR 02.02.08.16L, the general release required as a condition of renewal, sale, and/or assignment or transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Our Standard form of Release is attached to this Addendum as Exhibit "A." Item 17 is amended by adding the following language after the table:

> You may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
>
> The provision in the franchise agreement which provides for termination upon bankruptcy of the franchisee may not be enforceable under Federal Bankruptcy Law (11 U.S.C. Section 1010 et seq.)

EXHIBIT A TO
MARYLAND ADDENDUM FORM OF RELEASE

The following is our current general release form that we expect to include in a release that a franchisee, developer, and/or transferor may sign as part of a renewal or an approved transfer. We may, in our sole discretion, periodically modify the release.

THIS RELEASE is given by __________________ and their predecessors, agents, affiliates, legal representatives, agents, successors, assigns, heirs, beneficiaries, executors and administrators (collectively, the "**Franchisee**"), to **TIN DRUM ASIACAFÉ, LLC** and all of its predecessors, affiliates, owners, officers, employees, legal representatives and agents, directors, successors and assigns, and their heirs, beneficiaries, executors and administrators (collectively, the "**Franchisor**").

Effective on the date of this Release, the Franchisee forever releases and discharges the Franchisor from any and all claims, causes of action, suits, debts, agreements, promises, demands, liabilities, contractual rights and/or obligations, of whatever nature or kind, in law or in equity, which the Franchisee now has or ever had against the Franchisor, including without limitation, anything arising out of that certain Franchise Agreement dated _____________________ (the "**Franchise Agreement**"), the franchise relationship between the Franchisee and the Franchisor, and any other relationships between the Franchisee and the Franchisor; except the Franchisor's obligations under the __________________ Agreement dated effective _____________________. This Release is effective for: (a) any and all claims and obligations, including those of which the Franchisee is not now aware; and (b) all claims the Franchisee has from anything which has happened up to now.

The Franchisee is bound by this Release. The Franchisee freely and voluntarily gives this Release to the Franchisor for good and valuable consideration and the Franchisee acknowledges its receipt and sufficiency.

The Franchisee represents and warrants to the Franchisor that the Franchisee has not assigned or transferred to any other person any claim or right the Franchisee had or now has relating to or against the Franchisor.

In this Release, each pronoun includes the singular and plural as the context may require. This Release is governed by Georgia law.

This Release is effective _________________, notwithstanding the actual date of signatures.

IN WITNESS WHEREOF, the undersigned execute this Release:

____
____
Date: ___________________________________

STATE OF _________________________

COUNTY OF _______________________

The foregoing instrument was acknowledged before me this ______________, 20___, by _________________________________, who is personally known to me or has produced __________________________as identification.

____
Signature of Notary
My Commission Expires: __________________

MARYLAND RIDER TO
TIN DRUM ASIACAFÉ, LLC FRANCHISE AGREEMENT

THIS RIDER (the "**Rider**") is effective as of ____________________, 20   (the "**Agreement Date**"), and amends the Franchise Agreement dated ______________, 20   (the "**Agreement**"), between **TIN DRUM ASIACAFÉ, LLC** ("**we**," "**us**," "**our**" or the "**Franchisor**") and ________________________________ ("**you**," "**your**" or the "**Franchisee**").

1. **Precedence and Defined Terms.** This Rider is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. **General Release.** Pursuant to COMAR 02.02.08.16L, the general release otherwise required by the Agreement as a condition of renewal, sale and/or assignment/transfer does not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. **Release of Prior Claims.** The following sentence is added at the end of Section 20:

Provided, however, that nothing in this Section applies to any liability under the Maryland Franchise Registration and Disclosure Law.

4. **Limitation of Claims.** Any limitations of claims provisions will not act to reduce the 3 year statute of limitations afforded you for bringing a claim arising under Maryland Franchise Registration and Disclosure Law. All claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise to you.

5. **Jurisdiction and Venue.** You may bring a lawsuit against us in Maryland for any claims arising under the Maryland Franchise Registration and Disclosure Law.

6. **No Waiver.** Nothing in this Agreement is intended to nor will it act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law, including, but not limited to, any acknowledgments or representations made by you which disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Maryland Franchise Registration and Disclosure Law.

7. **Effective Date.** This Rider is effective on the Agreement Date regardless of the actual date of signature.

Intending to be bound, the parties sign and deliver this Rider to each other as shown below:

US:	**You:**
TIN DRUM ASIACAFÉ, LLC	________________________________
By: ____________________________	By: ____________________________
Name: __________________________	Name: __________________________
Title: ___________________________	Title: ___________________________
Date: ___________________________	Date: ___________________________

ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT
FOR TIN DRUM ASIACAFÉ, LLC
STATE OF MINNESOTA

Additional
Disclosures:

1. MINNESOTA LAW PROVIDES YOU WITH CERTAIN TERMINATION AND NON-RENEWAL RIGHTS. MINN. STAT. §80C.14 SUBD. 3, 4 AND 5 REQUIRE, EXCEPT IN CERTAIN CASE, THAT YOU BE GIVEN 90 DAYS' NOTICE OF TERMINATION (WITH 60 DAYS TO CURE) AND 180 DAYS' NOTICE FOR NONRENEWAL OF THE FRANCHISE AGREEMENT.

2. MINN. STAT. §80C.21 AND MINN. RULE 2860.4400J PROHIBIT US FROM REQUIRING LITIGATION TO BE CONDUCTED OUTSIDE MINNESOTA. IN ADDITION, NOTHING IN THE DISCLOSURE DOCUMENT OR AGREEMENT CAN ABROGATE OR REDUCE ANY OF YOUR RIGHTS AS PROVIDED FOR IN MINNESOTA STATUTES, CHAPTER 80C, OR YOUR RIGHTS TO ANY PROCEDURE, FORUM, OR REMEDIES PROVIDED FOR BY THE LAWS OF THE JURISDICTION.

3. Item 13 is amended to state that we will protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

4. Item 17 is amended by adding the following:

   You and your owners must execute general releases, in form and substance satisfactory to us, of any and all claims against us, and our affiliates, officers, directors, employees, agents, successors and assigns, except for matters coming under the Minnesota Franchise law.

5. Item 17, summary column for (f) is amended to add the following:

   With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for nonrenewal of the Franchise Agreement and that consent to transfer of the franchise will not be unreasonably withheld.

6. Item 17, summary column for (m) is amended to add the following:

   Any release signed as a condition of transfer will not apply to any claims you may have under the Minnesota Franchise Act.

7. Item 17, summary columns for (v) and (w) are amended to add the following:

   Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in this Disclosure Document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statues, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

MINNESOTA RIDER TO THE
TIN DRUM ASIACAFÉ, LLC FRANCHISE AGREEMENT

THIS RIDER (the "**Rider**") is effective as of ________________, 20 __ (the "**Agreement Date**"), and amends the Franchise Agreement dated ________________, 20__ (the "**Agreement**"), between **TIN DRUM ASIACAFÉ, LLC** ("**we**," "**us**," "**our**" or the "**Franchisor**") and ________________ ("**you**," "**your**" or the "**Franchisee**").

1. **Background**. You and we are parties to that certain Franchise Agreement dated ________________, 20 (the "**Franchise Agreement**") that has been signed concurrently with the signature of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because the ________________ Business to be operated by you pursuant to the Franchise Agreement will be located in the State of Minnesota and/or because you are a resident of the State of Minnesota.

2. **Renewal Term**. Paragraph 2.B.6. is amended to read as follows:

   You and each owner of your Franchise executes a general release (on our then-standard form) of any and all claims against us, our affiliates, and our respective owners, officers, directors, agents and employees, except for matters coming under the Minnesota Franchise law.

3. **Trademarks**. We will protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

4. **Default and Termination**. The following is added at the beginning of Section 14:

   Minnesota Law provides you with certain termination and non-renewal rights. Minn. Stat. §80C.14 Subd. 3, 4 and 5 require, except in certain case, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for nonrenewal of the Franchise Agreement.

5. **Governing Law**. The following sentence is added at the end of Section 18.C.

   MINN. STAT. §80C.21 AND MINN. RULE 2860.4400J PROHIBIT US FROM REQUIRING LITIGATION TO BE CONDUCTED OUTSIDE MINNESOTA. IN ADDITION, NOTHING IN THE DISCLOSURE DOCUMENT OR AGREEMENT CAN ABROGATE OR REDUCE ANY OF YOUR RIGHTS AS PROVIDED FOR IN MINNESOTA STATUTES, CHAPTER 80C, OR YOUR RIGHTS TO ANY PROCEDURE, FORUM, OR REMEDIES PROVIDED FOR BY THE LAWS OF THE JURISDICTION.

6. **Injunctive Relief**. Nothing in the Franchise Agreement is construed to mean that you are consenting to our obtaining injunctive relief. We may, however, seek injunctive relief. The court will determine if a bond is required.

7. **Limitation of Claims**. Section 18.F. is deleted in its entirety.

8. **Waiver of Jury Trial**. Section 18.E. is deleted in its entirety.

Intending to be bound, the parties sign and deliver this Rider to each other as shown below:

US:	**You:**
TIN DRUM ASIACAFÉ, LLC	________________________
By: ________________________	By: ________________________
Name: ________________________	Name: ________________________
Title: ________________________	Title: ________________________
Date: ________________________	Date: ________________________

ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT
FOR TIN DRUM ASIACAFÉ, LLC
STATE OF NEW YORK

1. Item 3 is amended by added the following at the beginning of the Item.

Other than those actions listed below, neither the franchisor, its predecessor, a person identified in item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. Has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations or pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

B Has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law, fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

C. Is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency, or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

2. Item 4 is amended in entirety to state the following:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular:

A. Filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code;

B. Obtained a discharge of its debts under the bankruptcy code; or

C. Was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of the franchisor held this position in the company or partnership.

3. Item 17(d) is amended to add the following sentence: The franchisee may terminate the agreement on any grounds available by law.

4. Item 17 (j) is amended to add the following sentence: “However, no assignment will be made except to an assignee who, in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the franchise agreement.”

5. Item 17(w) is amended to add the following sentence: The forgoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business law of the state of New York.

ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT
FOR TIN DRUM ASIACAFÉ, LLC
STATE OF NORTH DAKOTA

1. The Summary column of Item 17 paragraph (c) of this Disclosure Document is modified to read as follows:

> "Give us at least 90 days' notice of your intention to renew, sign our current form of Franchise Agreement and ancillary agreements, sign a release (except for matters coming under the North Dakota Franchise Investment Law (the "**ND Law**")."

2. The Summary column of Item 17 paragraph (r) of this Disclosure Document is modified by adding the following at the end of the sentence:

> "Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota."

3. The Summary column of Item 17 paragraph (u) of this Disclosure Document is amended by adding the following at the end of the paragraph:

> "except that matters coming under the ND Law will be submitted to arbitration to be held in a mutually agreeable location."

4. The Summary column of Item 17 paragraph (v) of this Disclosure Document is amended to read as follows:

> Except for matters coming under the ND Law, litigation must be in Fulton County, Georgia.

5. The Summary column of Item 17 paragraph (w) of this Disclosure Document is amended to read as follows:

> The law of North Dakota governs.

6. Section 51-19-09 of the North Dakota Franchise Investment Law provides that any requirement that you consent to liquidated damages is unfair, unjust and inequitable.

NORTH DAKOTA RIDER
TO TIN DRUM ASIACAFÉ, LLC FRANCHISE AGREEMENT

THIS RIDER (the "**Rider**") is effective as of ________________, 20 __ (the "**Agreement Date**"), and amends the Franchise Agreement dated ________________, 20__ (the "**Agreement**"), between **TIN DRUM ASIACAFÉ, LLC** ("**we**," "**us**," "**our**" or the "**Franchisor**") and ________________ ("**you**," "**your**" or the "**Franchisee**").

1. **Precedence and Defined Terms**. This Rider is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. **Terms and Conditions for Successor Franchise**. You are not required to sign a general release as to any matters coming under the North Dakota Franchise Investment Law (the "**ND Law**").

3. **Competitive Restrictions**. Covenants not to compete, such as those mentioned in this section, are generally unenforceable in the State of North Dakota.

4. **Jurisdiction**. All matters coming under the ND Law may be brought in the courts of North Dakota.

5. **Waiver of Punitive Damages**. Section 18.F. of the Franchise Agreement is deleted in its entirety.

6. **Waiver of Jury Trial**. Section 18.E. of the Franchise Agreement is deleted in its entirety.

7. **Limitation of Claims**. The statute of limitations under ND Law applies to all matters coming under ND Law.

8. **Governing Law**. This Agreement will be governed by North Dakota law.

US:	**You:**
TIN DRUM ASIACAFÉ, LLC	______________________________
By: ______________________	By: ______________________
Name: ____________________	Name: ____________________
Title: _____________________	Title: _____________________
Date: _____________________	Date: _____________________

ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT
FOR TIN DRUM ASIACAFÉ, LLC
STATE OF RHODE ISLAND

Item 17, summary columns for (v) and (w) are amended to add the following:

> Any provision in the Franchise Agreement restricting jurisdiction or venue to a forum outside Rhode Island or requiring the application of the laws of a state other than Rhode Island is void as to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT
FOR TIN DRUM ASIACAFÉ, LLC
STATE OF SOUTH DAKOTA

1. The summary statement of provision (q) of Item 17, is deleted in its entirety and the following substituted in its place:

> The Franchise Agreement provides that you cannot compete anywhere for 2 years after termination or expiration. However, covenants not to compete upon termination or expiration of a Franchise Agreement are generally unenforceable in the State of South Dakota, except in certain instances as provided by law.

2. Any provision that provides that the parties' waive their right to claim punitive, exemplary, incidental, indirect, special or consequential damages may not be enforceable under South Dakota Law. If any of the provisions in this Disclosure Document or the Franchise Agreement are inconsistent with this paragraph, the terms of this paragraph will prevail with regard to any franchise sold in South Dakota.

SOUTH DAKOTA RIDER
TO TIN DRUM ASIACAFÉ, LLC FRANCHISE AGREEMENT

THIS RIDER (the "**Rider**") is effective as of _________________, 20 __ (the "**Agreement Date**"), and amends the Franchise Agreement dated __________________, 20__ (the "**Agreement**"), between **TIN DRUM ASIACAFÉ, LLC** ("**we**," "**us**," "**our**" or the "**Franchisor**") and __________________ ("**you**," "**your**" or the "**Franchisee**").

1. **Precedence And Defined Terms**. This Rider is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. **Termination**. The following is added to Section 14:

   You will have 30 days written notice with an opportunity to cure prior to termination for the following: breach of the Franchise Agreement, failure to meet performance and quality standards and failure to make royalty payments.

3. **Covenants Not to Complete**. Covenants not to compete on termination or expiration of a Franchise Agreement are generally unenforceable in the state of South Dakota, except in certain instances as provided by law. This statement is given for informational purposes only.

4. **Jurisdiction and Venue**. Any provision which designates jurisdiction or venue or requires you to agree to jurisdiction or venue in a forum outside South Dakota is void with respect to any cause of action which is otherwise enforceable in South Dakota.

US:	**You:**
TIN DRUM ASIACAFÉ, LLC	______________________________
By: ____________________________	By: ____________________________
Name: __________________________	Name: __________________________
Title: ___________________________	Title: ___________________________
Date: ___________________________	Date: ___________________________

ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT
FOR TIN DRUM ASIACAFÉ, LLC
STATE OF VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act (the "**Act**"), the Franchise Disclosure Document for TIN DRUM ASIACAFÉ, LLC for use in the Commonwealth of Virginia is amended as follows:

> Pursuant to Section 13.1-564 of the Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Act or the Laws of Virginia, that provision may not be enforceable.

The following is added to Item 5 of the FDD:

> The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to hold payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor in escrow until the franchisor has completed its pre-opening obligations under the franchise agreement.

ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT FOR TIN DRUM ASIACAFÉ, LLC
STATE OF WASHINGTON

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act (the “Act”), Chapter 19.100 RCW, prevails.

Section RCW 19.100.180 of the Act, may supersede the Franchise Agreement in your relationship with us, including the area of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with us including the area of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site will either be in the State of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

A release or waiver of rights signed by you will not include rights under the Act except when signed pursuant to a negotiated settlement after the agreement(s) are in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

Transfer fees may be collected to the extent that they reflect our reasonable estimated or actual costs in effectuating a transfer.

The State of Washington has imposed a deferral condition on us; therefore, no fees are payable by you to us until all of our pre-opening obligations are completed and your business has opened.

WASHINGTON RIDER
TO TIN DRUM ASIACAFÉ, LLC FRANCHISE AGREEMENT

THIS RIDER (the "**Rider**") is effective as of ________________, 20 __ (the "**Agreement Date**"), and amends the Franchise Agreement dated ________________, 20__ (the "**Agreement**"), between **TIN DRUM ASIACAFÉ, LLC** ("**we**," "**us**," "**our**" or the "**Franchisor**") and ________________ ("**you**," "**your**" or the "**Franchisee**").

1. **Precedence and Defined Terms**. This Rider is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. **Washington Franchise Investment Protection Act**. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act (the "**Act**"), Chapter 19.100 RCW, prevail

3. **Relationship**. Section RCW 19.100.180 of the Act may supersede this Agreement in your relationship with us, including the area of termination and renewal of your franchise. There may also be court decisions which may supersede this Agreement in your relationship with us including the area of termination and renewal of your franchise.

4. **Arbitration**. In any arbitration involving a franchise purchased in Washington, the arbitration site will either be in the State of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

5. **Waiver of Rights**. A release or waiver of rights signed by you will not include rights under the Act except when signed pursuant to a negotiated settlement after the agreement(s) are in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

6. **Transfer Fees**. Transfer fees may be collected to the extent that they reflect our reasonable estimated or actual costs in effectuating a transfer.

Intending to be bound, you and we sign and deliver this Rider in 2 counterparts effective on the Agreement Date, regardless of the actual date of signature.

US:	**You:**
TIN DRUM ASIACAFÉ, LLC	______________________________
By: ____________________________	By: ____________________________
Name: __________________________	Name: __________________________
Title: ___________________________	Title: ___________________________
Date: ___________________________	Date: ___________________________

EXHIBIT I TO THE DISCLOSURE DOCUMENT

ROSTER OF CURRENT AND FORMER FRANCHISEES

CURRENT FRANCHISEES AS OF JANUARY 3, 2021

Location Code	State	Current Franchisee	Contact	Telephone	Restaurant Street Address	Restaurant City	Restaurant State and Zip Code	Status
Lindbergh GA-003	Georgia	Innovative Dining Concepts, LLC	Darryl Lewis	(678) 733-0084	2561 Piedmont Road., Suite 100	Atlanta	GA 30324	Opened 2005
Dunwoody GA-002	Georgia	IDS Dunwoody, LLC	Darryl Lewis	(678) 733-0084	4530 Olde Perimeter Way	Atlanta	GA 30346	Opened 2005
Roswell Market Place GA-013	Georgia	A. Garcia's, LLC	Andres Garcia Jr.	(770) 641-5082	10800 Alpharetta Highway	Roswell	GA 30076	Former company-owned unit purchased in 2019
North Druid Hills GA-015	Georgia	A. Garcia's, LLC	Andres Garcia Jr.	(404) 205-5650	2566 Briarcliff Road NE Suite 109	Atlanta	GA 30329	Former company-owned unit purchased in 2019
Akers Mill GA -016	Georgia	Saini Kitchens, LLC	Setul and Trishna Patel	(678) 742-7068	2955 Cobb Pkwy SE	Atlanta	GA 30339	Former company-owned unit purchased in 2020
Newnan GA-018	Georgia	Altaf Popatiya	Altaf Popatiya	(404) 786-3680	228 Newnan Crossing Bypass	Newnan	GA 30265	Opened 2016
Decatur GA-022	Georgia	ASN Milan, LLC	Altaf Popatiya	(404) 786-3680	1565 Church Street, Suite 520 *(opened 2019)*	Decatur	GA 30033	Opened 2019
Sandy Springs GA-021	Georgia	Tin Drum Sandy Springs, LLC	Megal Troupe	(404) 330-8886	5340 Roswell Road	Sandy Springs	GA 30328	Opened 2018; transferred 2020

FORMER FRANCHISEES

List of franchisees who has an outlet terminated, cancelled, not renewed or otherwise ceased to do business since January 1, 2020 or who has not communicated with us within 10 weeks of the date of this Disclosure Document.

State	Former Franchisee	Contact	Telephone	Last Known Address	Restaurant City	Restaurant State and Zip Code	Status
Georgia	Arfaan Investments, LLC	Altaf Popatiya	(404) 786-3680	250 Annelise Park Dr., Fayetteville, GA	Sandy Springs	GA 30328	Transferred to Tin Drum Sandy Springs, LLC in August 2020

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

EXHIBIT J TO THE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

Tin Drum Asiacafé, LLC

Financial Statements

January 03, 2021 and December 29, 2019

BENNETT THRASHER LLP
Better Together

Tin Drum Asiacafé, LLC

Table of Contents

Independent Auditor's Report

To the Member of
Tin Drum Asiacafé, LLC

We have audited the accompanying financial statements of Tin Drum Asiacafé, LLC (the Company), which comprise the balance sheets as of January 03, 2021 and December 29, 2019, and the related statements of operations and member's deficit and cash flows for the fiscal years ended January 03, 2021 and December 29, 2019, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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, 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 statements. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Riverwood 200 3300 Riverwood Parkway Suite 700 Atlanta, GA 30339 **phone** 770.396.2200 **fax** 770.390.0394
www.btcpa.net

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tin Drum Asiacafé, LLC as of January 03, 2021 and December 29, 2019, and the results of its operations and its cash flows for the fiscal years ended January 03, 2021 and December 29, 2019 in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle
As discussed in Note 1 to the financial statements, the Company has changed its method of accounting for revenue from contracts with customers in fiscal year 2019 due to the adoption of Topic 606: *Revenue from Contracts with Customers*.

Bennett Thrasher LLP

June 17, 2021

Tin Drum Asiacafé, LLC

Balance Sheets
January 3, 2021 and December 29, 2019

	2020	2019
Assets		
Current assets:		
Cash	$ 111,456	$ 87,463
Accounts receivable	67,770	82,487
Prepaid expenses	13,871	11,789
Current portion of deferred commission expense	6,860	6,860
Current portion of notes receivable	28,963	18,000
Total current assets	228,920	206,599
Fixed assets, net	-	7,393
Deferred commission expense, net of current portion	44,490	51,350
Notes receivable, net of current portion	167,798	219,390
Total assets	$ 441,208	$ 484,732
Liabilities and Member's Deficit		
Current liabilities:		
Accounts payable and accrued expenses	$ 135,894	$ 77,754
Due to related parties	2,537,759	1,907,728
Current portion of deferred franchise fees	15,585	14,667
Total current liabilities	2,689,238	2,000,149
Economic Injury Disaster Loan (Note 5)	149,900	-
Senior credit facility (Note 5)	1,861,272	2,143,583
Deferred franchise fees, net of current portion	224,129	217,449
Total liabilities	4,924,539	4,361,181
Commitments and contingencies (Note 6)		
Member's deficit	(4,483,331)	(3,876,449)
Total liabilities and member's deficit	$ 441,208	$ 484,732

See accompanying notes to financial statements.

Tin Drum Asiacafé, LLC

Statements of Operations and Member's Deficit
For the Fiscal Years Ended January 3, 2021 and December 29, 2019

	2020	2019
Revenues:		
Royalty income	$ 219,228	$ 178,029
National advertising fund income	112,010	128,137
Local advertising co-op fund income	55,180	68,528
Franchise and development fees	14,902	31,031
Total revenues	401,320	405,725
Expenses:		
Operating	782,464	816,791
Advertising expenses	170,146	262,065
Depreciation	3,795	4,907
Loss from operations	(555,085)	(678,038)
Other (expense) income:		
Interest expense	(83,160)	(83,892)
Other income, net	31,363	30,224
Total other expense	(51,797)	(53,668)
Net loss	(606,882)	(731,706)
Member's deficit, beginning of year	(3,876,449)	(3,175,006)
Change in accounting principle (Note 1)	-	30,263
Member's deficit, end of year	$ (4,483,331)	$ (3,876,449)

See accompanying notes to financial statements.

Tin Drum Asiacafé, LLC

Statements of Cash Flows
For the Fiscal Years Ended January 3, 2021 and December 29, 2019

	2020	2019
Cash flows from operating activities:		
Net loss	$ (606,882)	$ (731,706)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	3,795	4,907
Loss on disposal of fixed assets	3,598	-
Non-cash interest expense	51,023	50,061
Changes in operating assets and liabilities:		
Accounts receivable	14,717	(58,319)
Prepaid expenses	(2,082)	(7,461)
Deferred commission expense	6,860	(29,697)
Accounts payable and other accrued expenses	58,140	(12,578)
Deferred franchise fees	7,598	124,970
Net cash used in operating activities	(463,233)	(659,823)
Cash flows from investing activities:		
Purchases of fixed assets	-	(1,559)
Proceeds from notes receivable	75,629	-
Net cash provided by (used in) investing activities	75,629	(1,559)
Cash flows from financing activities:		
Due to related parties	595,031	630,808
Payments on senior credit facility (Note 5)	(333,334)	-
Net proceeds from Economic Injury Disaster Loan	149,900	-
Net cash provided by financing activities	411,597	630,808
Net increase (decrease) in cash and cash equivalents	23,993	(30,574)
Cash and cash equivalents at beginning of year	87,463	118,037
Cash and cash equivalents at end of year	$ 111,456	$ 87,463
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest	$ 32,137	$ 44,548
Notes receivable from franchisees	$ 35,000	$ 237,390

See accompanying notes to financial statements.

Note 1: Significant Accounting Policies

Nature of Business

Tin Drum Asiacafé, LLC (the Company) was formed on January 1, 2011 to franchise Tin Drum Asiacafé fast casual dining restaurants specializing in pan-Asian cuisine, including Thai, Japanese, Chinese, and Vietnamese elements. The Company sells the franchises throughout the United States. The Company is wholly owned by Tin Drum Holding Company, LLC (the Member). Tin Drum Rocks, LLC (TD Rocks), an affiliated company, operates certain restaurants of the type being franchised and is wholly owned by the Member. Effective September 2015, certain affiliated entities were merged into TD Rocks.

Fiscal Year

The Company reports on a 52-53 week year basis, which ends on the Sunday closest to December 31. The fiscal years ended January 3, 2021 and December 29, 2019 contained 53 weeks and 52 weeks, respectively.

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Franchise Operations

The Company enters into franchise agreements with third parties to build and operate restaurants using the Company's brand within a defined geographical area. The franchisee is required to operate their restaurants in compliance with a franchise agreement that includes adherence to operating and quality control procedures established by the Company. If a franchisee becomes financially distressed, the Company generally does not provide any financial assistance. If financial distress leads to a franchisee's noncompliance with the franchise agreement and the Company elects to terminate the franchise agreement, the Company has the right, but not the obligation, to acquire the assets of the franchisee at cost or fair value, as determined by an independent appraiser.

The Company generates revenues from franchising through individual franchise and development agreements. In general, the Company's franchise agreements provide for the payment of a franchise fee and development fee for each opened franchised restaurant. The agreements also require the franchisees to pay the Company a royalty of up to 6.0% of a restaurant's gross sales. There were no changes to the franchised or corporate store locations during 2020. During the fiscal year ended December 29, 2019, the Company opened one franchise store location, closed one corporate store owned by an affiliate company and converted three corporate stores owned by an affiliate company to franchise locations. At January 03, 2021 and December 29, 2019, the Company had eight franchise locations and two corporate locations owned by an affiliate company.

Revenue Recognition

The principal sources of revenue for the Company are royalty fees and franchise fees.

The Company adopted the revenue recognition standards under Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606) at the beginning of fiscal year 2019 using the modified retrospective method. The adoption of these standards did not have an impact on the Company's recognition of revenue from royalty fees, which are based on a percentage of restaurant revenues and are recognized in the period the related franchised restaurants' sales occur. Under the Company's franchise agreements, franchisee advertising contributions are required which must be spent on marketing and related activities. Upon adoption of Topic 606, advertising revenues and expenditures are recorded on a gross basis within the statements of operations. Under the previous guidance, the Company recorded franchise advertising expense net of contributions from franchises related to the local advertising program. While this change materially impacts the gross amount of reported franchise and license revenue and costs of franchise and license revenue, the impact is generally an offsetting increase to both revenue and expense with a nominal impact on net income.

After opening of a franchised restaurant, franchise royalty fees of up to 6% of gross sales, as defined within the individual franchise agreements, are due to the Company on a weekly basis for each restaurant operated by a franchisee. In addition to the weekly royalties, franchisees are required to participate in both national and local advertising programs. The national advertising fee ranges from 2% to 3% depending on the franchise agreement and is recognized as revenue by the Company. The local advertising (co-op) fee is 2% and these amounts are recorded as revenues and are deposited in an account to be used in connection with such local area advertising efforts which is included within cash in the accompanying financial statements. During 2020, the Company granted certain COVID relief concessions for both royalties and advertising fees charged by the Company primarily during April and May.

The adoption of Topic 606 impacted the Company's accounting for initial fees charged to franchisees. In the past, the Company recognized initial franchise fees when all material services or conditions relating to the sale of the franchise had been substantially performed or satisfied by the Company, which was generally when a new franchise restaurant was opened. In accordance with the new guidance, the Company has determined that the initial franchise services are not distinct from the continuing rights or services offered during the term of the franchise agreement and should be treated as a single performance obligation. Therefore, initial fees received from franchisees will be recognized as revenue over the term of each respective franchise agreement, which is typically 10 years and is renewable for one successive 10 year period, subject to mutual agreement between the Company and the franchisee and subject to a renewal fee. In the event a franchise agreement is terminated, any remaining deferred fees are recognized in the period of termination.

The franchise agreements require the franchisee to pay an initial, non-refundable franchise fee. Initial franchise fees are typically $25,000 to $30,000 pursuant to the franchise agreement. When an individual franchise is sold, the Company agrees to provide certain services to the franchisee. Generally, these services include use of the Company's trademarks, system, training, pre-opening assistance, and operating assistance. At January 3, 2021 and December 29, 2019, there was $239,714 and $232,116, respectively, in unearned revenues relating to franchises sold, for which the Company must provide future services. Such unearned revenues are included in deferred franchise fees in the accompanying balance sheets.

Development fees are dependent upon the number of restaurants in the territory, as are the Company's obligations under the development agreement. Consequently, as obligations are met, development fees are recognized proportionately with the opening of each new restaurant and are applied as a reduction of the related franchise fee, as defined within the individual development agreements.

Cash

Cash includes cash on hand and deposits with financial institutions. At times, cash balances may exceed federally insured amounts. The Company believes it mitigates any risk by depositing cash with major financial institutions.

Accounts Receivable

Accounts receivable primarily consists of royalty, national advertising, local advertising and initial franchise fees due from franchisees, as well as rebates from vendor programs. The Company regularly analyzes its accounts receivable to determine whether any allowance is necessary based on the Company's collection history. The Company considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been recorded. If amounts become uncollectible, they will be charged to operations at that time.

Notes Receivable

Notes receivable as of January 3, 2021 relate to certain affiliate owned locations that were sold to franchisees during 2020 or 2019 and bear interest at rates ranging from 2.75% to 3.00%. The notes receivable require monthly payments up to $4,250 and mature at various dates through November 2024. The note receivable includes the purchase price of the assets along with a designated franchise fee as defined within the agreement. The purchase price consideration is owed to the affiliated company and therefore recorded to due to related parties. The franchise fee is initially deferred and amortized to income in accordance with Topic 606. Future maturities under the note receivable agreements are as follows at January 3, 2021:

2021	$ 28,963
2022	60,498
2023	48,652
2024	58,648
	$ 196,761

Deferred Franchise Fees and Costs

Deferred franchise fees consist of initial franchise fees and area development fees paid in the current and prior years, but for which the Company has not substantially performed or satisfied all material services or conditions related to the sale of the franchise. Commission payments associated with initial franchise agreement are deferred and amortized to operating expenses upon recognition of the related franchise fees revenue pursuant to Topic 606.

Advertising

The Company maintains a system-wide advertising fund pursuant to the franchise agreement. The advertising fund is responsible for developing and conducting marketing and advertising for the Company's brand. Franchised restaurants are required to remit a designated percentage, up to 3.0%, of restaurant sales to the advertising fund in addition to local advertising and co-op requirements, as defined within the individual franchise agreements. The Company's total advertising expenses, including national and local advertising expenses, as a result of Topic 606, totaled $170,146 and $262,065 for the fiscal years ended January 3, 2021 and December 29, 2019, respectively, and are included within advertising expenses in the accompanying statements of operations and member's deficit. Advertising costs are expensed as incurred.

Fixed Assets

Depreciation is provided over the estimated useful lives of the assets using the straight-line method. Estimated useful lives by asset class are as follows: computer equipment and website development costs, five years. Expenditures for maintenance and repairs are charged to expense as incurred. Additions and betterments are capitalized.

Impairment of Long-lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. When indicators of impairment are present, management evaluates the carrying amount of such assets in relation to the operating performance and future estimated undiscounted net cash flows expected to be generated by the assets or underlying operations. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. The assessment of the recoverability of assets will be impacted if estimated future operating cash flows are not achieved. In the opinion of management, there were no assets impaired as of January 03, 2021 and December 29, 2019.

Income Taxes

As a limited liability company, the Company's taxable income or loss is allocated to the Member. Therefore, no provision or liability for income taxes has been included in the financial statements.

The Company applies the provisions of FASB Accounting Standards Codification 740, *Income Taxes*. These standards require that a tax position be recognized or derecognized based on a "more likely than not" threshold. This applies to positions taken or expected to be taken in a tax return. The Company does not believe its financial statements include any material uncertain tax positions. The Company is no longer subject to Federal and state income tax examinations by tax authorities for years prior to 2017.

COVID-19

In March 2020, the World Health Organization officially designated COVID-19 as a pandemic, and as a result, businesses across the world have had to take steps to protect their employees and employees of franchisees with whom they do business. The associated business disruption, which is ongoing as of the report date, has ranged from limited to significant, depending on the nature of the business being impacted. The primary impact to the Company has been modified operating hours and certain government mandated restaurant restrictions, which were temporary. The Company was well-positioned for the transition to largely off-premise dining that has resulted from the pandemic. Management believes that appropriate measures have been put in place to limit any adverse business effects as a result of this disruption. However, management is presently unable to predict what long-term impact this level of disruption will have on the Company, and there can be no assurances that a significant impact to the business will not take place. There have been no adjustments to these financial statements related to these matters.

Note 2: Factors Affecting Operations

As of January 3, 2021 and December 29, 2019, the Company incurred a cumulative deficit of $4,483,331 and $3,876,449, respectively, as the Company is in the preliminary phase of franchise development. The future success of the Company's business is contingent upon successful franchise development and the ability of its Member to fund working capital shortfalls through operations at Company owned stores or through equity contributions, until such time the Company maintains satisfactory levels of profitable operations. During 2020, the Company received an Economic Injury Disaster Loan (EIDL) from the Small Business Administration (SBA) as a result of the COVID-19 pandemic (Note 1) along with continued advances from its Member which received Paycheck Protection Loans which are forgivable subject to certain conditions. The accompanying financial statements do not include any adjustments that might result from the outcome of these uncertainties.

Note 3: Fixed Assets

Fixed assets consist of the following at January 03, 2021 and December 29, 2019:

	2020	2019
Computer equipment and website development costs	$ 50,000	$ 58,716
Less: accumulated depreciation	(50,000)	(51,323)
	$ -	$ 7,393

Depreciation expense totaled $3,795 and $4,907 for the fiscal years ended January 03, 2021 and December 29, 2019, respectively.

Note 4: Related Party Transactions

At January 03, 2021 and December 29, 2019, due to related parties of $2,537,759 and $1,907,728, respectively, consists of funds advanced from Tin Drum Rocks and Tin Drum Holding. Such funds are provided for working capital needs, if required, and are non-interest bearing, unsecured, and due on demand.

For the fiscal year ended January 03, 2021, the Company received royalty, national advertising fund and local advertising co-op income from stores owned by a franchisee member totaling approximately $75,608, $34,909, and $22,368, respectively, which are included in royalty, national advertising fund and local advertising co-op fund income in the accompanying statements of operations and member's deficit, respectively. For the fiscal year ended December 29, 2019, the Company received royalty, national advertising fund and local advertising co-op income from stores owned by a franchisee member totaling approximately $70,468, $36,640, and $24,387, respectively, which are included in royalty, national advertising fund and local advertising co-op fund income in the accompanying statements of operations and member's deficit, respectively. During 2020 and 2019, the same member paid $25,680 and $26,644, respectively, in management fees to the Company related to oversight provided at the member owned locations which are included in other income in the accompanying statements of operations.

Note 5: Debt

Senior Credit Facility

In November 2018, the Company amended and restated the senior credit agreement (the Amended Agreement). The Amended Agreement provides for aggregate borrowings of $2,082,806, which consists of the First TSC Loan $1,484,472, the Second TSC Loan $265,000 (the TSC Loans), and a loan from a certain individual member of $333,334. The TSC Loans bear interest at 2.83% per annum with outstanding principal and interest due upon maturity. The outstanding balance of the First TSC Loan was $1,579,772 and $1,536,582 as of January 03, 2021 and December 29, 2019, respectively, and is due on December 24, 2024. The outstanding balance of the Second TSC Loan was $281,500 and $273,666 as of January 03, 2021 and December 29, 2019, respectively, and is due on November 8, 2027. The individual member loan bears interest at 10% per annum and requires monthly payments. Any unpaid interest is added to the outstanding balance. The outstanding balance on the individual member loan was $333,334 as of December 29, 2019. The individual member loan was paid in full during 2020. The senior credit facility is collateralized by substantially all assets of the Company. Interest expense totaled $83,160 and $83,892 for the fiscal years ended January 03, 2021 and December 29, 2019, and was accrued as a component of due to related parties. In March 2021, Tin Drum Holding Company's managing member redeemed the units of a certain investor affiliated with the TSC Loans. As part of the redemption consideration, the outstanding balance associated with the TSC Loans was forgiven pursuant to the Redemption Agreement.

Economic Injury Disaster Loan

In June 2020, the Company was authorized by the SBA to receive an EIDL totaling $150,000. The note bears interest at 3.75% per annum. Monthly installment payments of $731, applied first to accrued interest and then to outstanding principal, begin 12 months from the date of the note. Any remaining balance of principal and interest will be payable 30 years from the date of the loan. Subsequent to January 3, 2021, the SBA extended the date to begin repaying this loan by an additional year. The Company may prepay this note in part or in full at any time, without notice or penalty. The note is secured by substantially all assets of the Company. At January 3, 2021, the balance on this loan totaled $149,900. Accrued interest was nominal as of January 3, 2021.

Note 6: Commitments and Contingencies

The Company from time to time may be involved in certain litigation and claims in the ordinary course of business. Although the outcome of such claims, litigation, and disputes cannot be predicted with certainty, in the opinion of management, based on facts known at this time, the resolution of such matters are not anticipated to have a material adverse effect on the financial position or results of operations of the Company.

Note 7: Subsequent Events

The Company has evaluated for subsequent events between the balance sheet date of January 03, 2021 and the report date, the date the financial statements were available for issuance, and has concluded that all subsequent events requiring recognition or disclosure have been incorporated into these financial statements.

*****

Tin Drum Asiacafé, LLC

Financial Statements

December 29, 2019 and December 30, 2018

BENNETT THRASHER LLP
Better Together

Tin Drum Asiacafé, LLC

Table of Contents

Independent Auditor's Report

To the Member of
Tin Drum Asiacafé, LLC

We have audited the accompanying financial statements of Tin Drum Asiacafé, LLC (the Company), which comprise the balance sheets as of December 29, 2019 and December 30, 2018, and the related statements of operations and member's deficit and cash flows for the fiscal years ended December 29, 2019 and December 30, 2018, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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, 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 statements. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tin Drum Asiacafé, LLC as of December 29, 2019 and December 30, 2018, and the results of its operations and its cash flows for the fiscal years ended December 29, 2019 and December 30, 2018 in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, the Company has changed its method of accounting for revenue from contracts with customers in fiscal year 2019 due to the adoption of Topic 606: *Revenue from Contracts with Customers*.

Bennett Thrasher LLP

April 29, 2020

Tin Drum Asiacafé, LLC

Balance Sheets
December 29, 2019 and December 30, 2018

	2019	2018
Assets		
Current assets:		
Cash	$ 87,463	$ 118,037
Accounts receivable	82,487	24,168
Prepaid expenses	11,789	4,328
Current portion of deferred commission expense	6,860	9,700
Current portion of notes receivable	18,000	-
Total current assets	206,599	156,233
Fixed assets, net	7,393	10,741
Deferred commission expense, net of current portion	51,350	7,400
Notes receivable, net of current portion	219,390	-
Total assets	$ 484,732	$ 174,374
Liabilities and Member's Deficit		
Current liabilities:		
Accounts payable and accrued expenses	$ 77,754	$ 90,332
Due to related parties	1,907,728	1,039,530
Co-op fund payable	-	97,396
Current portion of deferred franchise fees	14,667	21,200
Total current liabilities	2,000,149	1,248,458
Senior credit facility (Note 5)	2,143,583	2,093,522
Deferred franchise fees, net of current portion	217,449	7,400
Total liabilities	4,361,181	3,349,380
Commitments and contingencies (Note 6)		
Member's deficit	(3,876,449)	(3,175,006)
Total liabilities and member's deficit	$ 484,732	$ 174,374

See accompanying notes to financial statements.

Tin Drum Asiacafé, LLC

Statements of Operations and Member's Deficit
For the Fiscal Years Ended December 29, 2019 and December 30, 2018

	2019	2018
Revenues:		
Royalty income	$ 178,029	$ 144,884
National advertising fund income	128,137	123,394
Local advertising co-op fund income	68,528	-
Franchise and development fees	31,031	126,200
Total revenues	405,725	394,478
Expenses:		
Operating	816,791	512,221
Advertising expenses	262,065	137,591
Depreciation	4,907	5,406
Loss from operations	(678,038)	(260,740)
Other (expense) income:		
Gain on related party forgiveness (Note 4)	-	543,356
Gain on disposal of assets	-	630
Interest expense	(83,892)	(141,624)
Other income (expense), net	30,224	20,908
Total other (expense) income	(53,668)	423,270
Net (loss) income	(731,706)	162,530
Member's deficit, beginning of year	(3,175,006)	(3,337,536)
Change in accounting principle (Note 1)	30,263	-
Member's deficit, end of year	$ (3,876,449)	$ (3,175,006)

See accompanying notes to financial statements.

Tin Drum Asiacafé, LLC

Statements of Cash Flows
For the Fiscal Years Ended December 29, 2019 and December 30, 2018

	2019	2018
Cash flows from operating activities:		
Net (loss) income	$ (731,706)	$ 162,530
Adjustments to reconcile net (loss) income to net cash used in operating activities:		
Depreciation	4,907	5,406
Gain on disposal of fixed assets	-	(630)
Gain on related party debt forgiveness (Note 4)	-	(543,356)
Non-cash interest expense	50,061	104,419
Changes in operating assets and liabilities:		
Accounts receivable	(58,319)	5,173
Prepaid expenses	(7,461)	2,752
Deferred commission expense	(29,697)	6,000
Accounts payable and other accrued expenses	(12,578)	24,859
Local marketing program	-	(5,609)
Co-op fund payable	-	44,815
Deferred franchise fees	124,970	(143,700)
Net cash used in operating activities	(659,823)	(337,341)
Cash flows from investing activities:		
Purchases of fixed assets	(1,559)	(1,296)
Proceeds from sale of fixed assets	-	1,348
Net cash (used in) provided by investing activities	(1,559)	52
Cash flows from financing activities:		
Due to related parties	630,808	125,096
Net proceeds from senior credit facility (Note 5)	-	265,000
Net cash provided by financing activities	630,808	390,096
Net (decrease) increase in cash and cash equivalents	(30,574)	52,807
Cash and cash equivalents at beginning of year	118,037	65,230
Cash and cash equivalents at end of year	$ 87,463	$ 118,037
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest	$ 44,548	$ 37,205
Notes receivable from franchisees	$ 237,390	$ -

See accompanying notes to financial statements.

Note 1: Significant Accounting Policies

Nature of Business

Tin Drum Asiacafé, LLC (the Company) was formed on January 1, 2011 to franchise Tin Drum Asiacafé fast casual dining restaurants specializing in pan-Asian cuisine, including Thai, Japanese, Chinese, and Vietnamese elements. The Company sells the franchises throughout the United States. The Company is wholly owned by Tin Drum Holding Company, LLC (the Member). Tin Drum Rocks, LLC (TD Rocks), an affiliated company, operates certain restaurants of the type being franchised and is wholly owned by the Member. Effective September 2015, certain affiliated entities were merged into TD Rocks.

Fiscal Year

The Company reports on a 52-53 week year basis which ends on the last Sunday in December. The fiscal years ended December 29, 2019 and December 30, 2018 contained 52 weeks.

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Franchise Operations

The Company enters into franchise agreements with third parties to build and operate restaurants using the Company's brand within a defined geographical area. The franchisee is required to operate their restaurants in compliance with a franchise agreement that includes adherence to operating and quality control procedures established by the Company. If a franchisee becomes financially distressed, the Company generally does not provide any financial assistance. If financial distress leads to a franchisee's noncompliance with the franchise agreement and the Company elects to terminate the franchise agreement, the Company has the right, but not the obligation, to acquire the assets of the franchisee at cost or fair value, as determined by an independent appraiser.

The Company generates revenues from franchising through individual franchise and development agreements. In general, the Company's franchise agreements provide for the payment of a franchise fee and development fee for each opened franchised restaurant. The agreements also require the franchisees to pay the Company a royalty of up to 6.0% of a restaurant's gross sales. During the fiscal year ended December 29, 2019, the Company opened one franchise store location, closed one corporate store owned by an affiliate company and converted three corporate stores owned by an affiliate company to franchise locations. During the fiscal year ended December 30, 2018, the Company opened one franchise store location. At December 29, 2019, the Company had eight franchise locations and two corporate locations owned by an affiliate company. At December 30, 2018, the Company had five franchise locations and five corporate locations owned by an affiliate company.

Revenue Recognition

The principal sources of revenue for the Company are royalty fees and franchise fees.

The Company adopted the revenue recognition standards under Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606) at the beginning of fiscal year 2019 using the modified retrospective method. The adoption of these standards did not have an impact on the Company's recognition of revenue from royalty fees, which are based on a percentage of restaurant revenues and are recognized in the period the related franchised restaurants' sales occur. Under the Company's franchise agreements, franchisee advertising contributions are required which must be spent on marketing and related activities. Upon adoption of Topic 606, advertising revenues and expenditures are recorded on a gross basis within the statements of operations. Under the previous guidance, the Company recorded franchise advertising expense net of contributions from franchises related to the local advertising program. While this change materially impacts the gross amount of reported franchise and license revenue and costs of franchise and license revenue, the impact is generally an offsetting increase to both revenue and expense with a nominal impact on net income.

After opening of a franchised restaurant, franchise royalty fees of up to 6% of gross sales, as defined within the individual franchise agreements, are due to the Company on a weekly basis for each restaurant operated by a franchisee. In addition to the weekly royalties, franchisees are required to participate in both national and local advertising programs. The national advertising fee ranges from 2% to 3% depending on the franchise agreement and is recognized as revenue by the Company. The local advertising (co-op) fee is 2% and these amounts are recorded as revenues and are deposited in an account to be used in connection with such local area advertising efforts which is included within cash in the accompanying financial statements.

The adoption of Topic 606 impacted the Company's accounting for initial fees charged to franchisees. In the past, the Company recognized initial franchise fees when all material services or conditions relating to the sale of the franchise had been substantially performed or satisfied by the Company, which was generally when a new franchise restaurant was opened. In accordance with the new guidance, the Company has determined that the initial franchise services are not distinct from the continuing rights or services offered during the term of the franchise agreement and should be treated as a single performance obligation. Therefore, initial fees received from franchisees will be recognized as revenue over the term of each respective franchise agreement, which is typically 10 years and is renewable for one successive 10 year period, subject to mutual agreement between the Company and the franchisee and subject to a renewal fee. In the event a franchise agreement is terminated, any remaining deferred fees are recognized in the period of termination.

The franchise agreements require the franchisee to pay an initial, non-refundable franchise fee. Initial franchise fees are typically $25,000 to $30,000 pursuant to the franchise agreement. When an individual franchise is sold, the Company agrees to provide certain services to the franchisee. Generally, these services include use of the Company's trademarks, system, training, pre-opening assistance, and operating assistance. At December 29, 2019 and December 30, 2018, there was $232,116 and $28,600, respectively, in unearned revenues relating to franchises sold, for which the Company must provide future services. Such unearned revenues are included in deferred franchise fees in the accompanying balance sheets.

Development fees are dependent upon the number of restaurants in the territory, as are the Company's obligations under the development agreement. Consequently, as obligations are met, development fees are recognized proportionately with the opening of each new restaurant and are applied as a reduction of the related franchise fee, as defined within the individual development agreements. During 2018, the Company recognized $117,500 in net expired development fees which were settled as part of an insurance dispute.

Cash

Cash includes cash on hand and deposits with financial institutions. At times, cash balances may exceed federally insured amounts. The Company believes it mitigates any risk by depositing cash with major financial institutions.

Accounts Receivable

Accounts receivable primarily consists of royalty, national advertising, local advertising and initial franchise fees due from franchisees, as well as rebates from vendor programs. The Company regularly analyzes its accounts receivable to determine whether any allowance is necessary based on the Company's collection history. The Company considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been recorded. If amounts become uncollectible, they will be charged to operations at that time.

Notes Receivable

Notes receivable as of December 29, 2019 relate to certain affiliate owned locations that were sold to franchisees during 2019. The note receivable includes the purchase price of the assets along with a designated franchise fee as defined within the agreement. The purchase price consideration is owed to the affiliated company and therefore recorded to due to related parties. The franchise fee is initially deferred and amortized to income in accordance with Topic 606. Future maturities under the note receivable agreements are as follows at December 29, 2019:

2020	$	18,000
2021		70,454
2022		115,936
2023		18,000
2024		15,000
	$	237,390

Deferred Franchise Fees and Costs

Deferred franchise fees consist of initial franchise fees and area development fees paid in the current and prior years, but for which the Company has not substantially performed or satisfied all material services or conditions related to the sale of the franchise. Commission payments associated with initial franchise agreement are deferred and amortized to operating expenses upon recognition of the related franchise fees revenue pursuant to Topic 606.

Advertising

The Company maintains a system-wide advertising fund pursuant to the franchise agreement. The advertising fund is responsible for developing and conducting marketing and advertising for the Company's brand. Franchised restaurants are required to remit a designated percentage, up to 3.0%, of restaurant sales to the advertising fund in addition to local advertising and co-op requirements, as defined within the individual franchise agreements. The Company's total advertising expenses, including national and local advertising expenses, as a result of Topic 606, totaled $262,065 and $137,591 for the fiscal years ended December 29, 2019 and December 30, 2018, respectively, and are included within advertising expenses in the accompanying statements of operations and member's deficit. Advertising costs are expensed as incurred.

Fixed Assets

Depreciation is provided over the estimated useful lives of the assets using the straight-line method. Estimated useful lives by asset class are as follows: computer equipment and website development costs, five years. Expenditures for maintenance and repairs are charged to expense as incurred. Additions and betterments are capitalized.

Impairment of Long-lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. When indicators of impairment are present, management evaluates the carrying amount of such assets in relation to the operating performance and future estimated undiscounted net cash flows expected to be generated by the assets or underlying operations. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. The assessment of the recoverability of assets will be impacted if estimated future operating cash flows are not achieved. In the opinion of management, there were no assets impaired as of December 29, 2019 and December 30, 2018.

Income Taxes

As a limited liability company, the Company's taxable income or loss is allocated to the Member. Therefore, no provision or liability for income taxes has been included in the financial statements.

The Company applies the provisions of FASB Accounting Standards Codification 740, *Income Taxes*. These standards require that a tax position be recognized or derecognized based on a "more likely than not" threshold. This applies to positions taken or expected to be taken in a tax return. The Company does not believe its financial statements include any material uncertain tax positions. The Company is no longer subject to Federal and state income tax examinations by tax authorities for years prior to 2016.

Reclassification

Certain prior year amounts have been reclassified to conform to the current year presentation. These reclassifications had no effect on the previously reported results of operations or member's deficit.

New Accounting Pronouncements

Effective December 31, 2018, the first day of fiscal year 2019, the Company adopted Topic 606 and all subsequent ASUs that modified Topic 606. The new guidance clarifies the principles used to recognize revenue for all entities and requires a company to recognize revenue when it transfers goods or services to a customer in an amount that reflects the consideration to which a company expects to be entitled. The Company elected to apply the modified retrospective method of adoption to those contracts which were not completed as of December 31, 2018. In doing so, the Company applied the practical expedient to aggregate all contract modifications that occurred before December 31, 2018 in determining the satisfied and unsatisfied performance obligations, the transaction price and the allocation of the transaction price to the satisfied and unsatisfied performance obligations. Results for reporting periods beginning after December 31, 2018 are presented under Topic 606. Prior period amounts are not adjusted and continue to be reported in accordance with our historical accounting under Topic 605, Revenue Recognition. The Company's transition to Topic 606 represents a change in accounting principle.

An adjustment to beginning retained earnings and a corresponding net contract liability of $30,263 was established on the date of adoption, at the beginning of fiscal year 2019, associated primarily with the initial fees received through December 30, 2018 that would have been deferred and recognized over the term of each respective franchise agreement if the new guidance had been applied in the past. The opening adjustment also includes the impact of deferred commissions related to the franchise agreements as well as the net liability associated with the local marketing fund which is now into the accompanying financial statements.

The cumulative effects of the changes made to the Company's balance sheet as of December 31, 2018 for the adoption of ASC 606 were as follows:

	Balance at December 30, 2018	Adjustments Due to Topic 606	Balance at December 31, 2018
Assets:			
Deferred commission expense	$ 17,100	$ 11,413	$ 28,513
Liabilities and member's deficit:			
Local advertising program	97,396	(97,396)	-
Deferred revenue	28,600	78,546	107,146
Member's deficit	(3,175,006)	30,263	(3,144,743)

Note 2: Factors Affecting Operations

As of December 29, 2019 and December 30, 2018, the Company incurred a cumulative deficit of $3,876,449 and $3,175,006, respectively, as the Company is in the preliminary phase of franchise development. The future success of the Company's business is contingent upon successful franchise development and the ability of its Member to fund working capital shortfalls through operations at Company owned stores or through equity contributions, until such time the Company maintains satisfactory levels of profitable operations. During 2018, the Member raised additional preferred capital from an existing member (Existing Member) of $160,000 and received a franchisee investment in the form of common units totaling $1,000,000. The Company also received SBA approval for a Paycheck Protection Program loan as a result of the COVID-19 pandemic (Note 7). The Company anticipates the majority of the loan would be forgiven pursuant to the terms of the Act. The accompanying financial statements do not include any adjustments that might result from the outcome of these uncertainties.

Note 3: Fixed Assets

Fixed assets consist of the following at December 29, 2019 and December 30, 2018:

	2019	2018
Computer equipment and website development costs	$ 58,716	$ 55,598
Less: accumulated depreciation	(51,323)	(44,857)
	$ 7,393	$ 10,741

Depreciation expense totaled $4,907 and $5,406 for the fiscal years ended December 29, 2019 and December 30, 2018, respectively.

Note 4: Related Party Transactions

At December 29, 2019 and December 30, 2018, due to related parties of $1,907,728 and $1,039,530, respectively, consists of funds advanced from Tin Drum Rocks, Tin Drum Holding and Tropical Smoothie Café, LLC (TSC). The Company is related to TSC through common ownership. Such funds are provided for working capital needs, if required, and are non-interest bearing, unsecured, and due on demand. During 2018, the Company recorded a gain of $543,356 on the forgiveness of related party liabilities related to certain unreimbursed cumulative incurred expenses. The settlement occurred concurrent with the amendment to the Company's senior credit facility with related parties.

For the fiscal year ended December 29, 2019, the Company received royalty, national advertising fund and local advertising co-op income from stores owned by a franchisee member totaling approximately $70,468, $36,640 and $24,387, respectively, which are included in royalty, national advertising fund and local advertising co-op fund income in the accompanying statements of operations and member's deficit, respectively. During 2019, the same member paid $26,644 in management fees to the Company related to oversight provided at the member owned locations which are included in other income in the accompanying statements of operations.

Note 5: Senior Credit Facility

In November 2018, the Company amended and restated the senior credit agreement (the Amended Agreement). The Amended Agreement provides for aggregate borrowings of $2,082,806, which consists of the First TSC Loan $1,484,472, the Second TSC Loan $265,000 (the TSC Loans), and a loan from a certain individual member of $333,334. The TSC Loans bear interest at 2.83% per annum with outstanding principal and interest due upon maturity. The outstanding balance of the First TSC Loan was $1,536,582 and $1,494,105 as of December 29, 2019 and December 30, 2018, respectively, and is due on December 24, 2024. The outstanding balance of the Second TSC Loan was $273,666 and $266,083 as of December 29, 2019 and December 30, 2018, respectively, and is due on November 8, 2027. The individual member loan bears interest at 10% per annum and requires monthly payments. Any unpaid interest is added to the outstanding balance. The outstanding balance on the individual member loan was $333,334 as of December 29, 2019 and December 30, 2018, and is due on December 21, 2020. The senior credit facility is collateralized by substantially all assets of the Company. Interest expense totaled $83,892 and $141,624 for the fiscal years ended December 29, 2019 and December 30, 2018, and was accrued as a component of due to related parties.

Note 6: Commitments and Contingencies

The Company from time to time may be involved in certain litigation and claims in the ordinary course of business. Although the outcome of such claims, litigation, and disputes cannot be predicted with certainty, in the opinion of management, based on facts known at this time, the resolution of such matters are not anticipated to have a material adverse effect on the financial position or results of operations of the Company.

Note 7: Subsequent Events

COVID-19 Disruption

In March 2020, the World Health Organization officially designated COVID-19 as a pandemic, and as a result, businesses across the world have had to take steps to protect their employees and employees of franchisees with whom they do business. The associated business disruption has ranged from limited to significant, depending on the nature of the business being impacted. Management believes the primary impact to its business is the potential instability of the franchise system resulting from the required modified operating hours and store restrictions. The resulting decreased revenues for all of the stores in the system will have a significant impact of the ability of franchisees to continue to operate profitably for some period of time. This will impact the Company's royalty revenue stream and also could cause some franchisees to be unable to pay even the reduced royalty obligations. In addition, there will continue to be varying levels of disruption in the workforce, the supply chain, and the overall economy, which can indirectly affect the Company and its franchisees in business matters including working capital, continued availability of credit, and overall traffic to the stores. While the disruption is currently expected to be temporary, there is uncertainty around the duration. While the Company expects this matter to negatively impact results, the related impact to the Company's financial position, results of operations, and cash flows cannot be reasonably estimated at this time. There have been no adjustments to these financial statements related to these matters.

The Company has evaluated for subsequent events between the balance sheet date of December 29, 2019 and the report date, the date the financial statements were available for issuance, and has concluded that all subsequent events requiring recognition or disclosure have been incorporated into these financial statements.

*****

THE FOLLOWING FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNT AND HAS AUDITED THESE FIGURES OR EXPRESS HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

Tin Drum Asia Cafe, LLC
Balance Sheet
As of May 30, 2021

		May 30, 21
ASSETS		
Current Assets		
Checking/Savings		
10010 · Suntrust Checking 4309		25,373.23
10025 · Suntrust Ad Fund Checking 4873		101,700.06
10045 · Co Op Checking 9388		73,578.66
Total Checking/Savings		200,651.95
Accounts Receivable		
20000 · Accounts Receivable		47,677.63
Total Accounts Receivable		47,677.63
Other Current Assets		
38405 · Franchise Fees Receivable		
38407 · Franchise Fee Rec'ble - Roswell	5,202.00	
Total 38405 · Franchise Fees Receivable		5,202.00
Total Other Current Assets		5,202.00
Total Current Assets		253,531.58
Fixed Assets		
30135 · Website		50,000.00
30199 · Accumulated Deprecation		-50,000.00
Total Fixed Assets		0.00
Other Assets		
21200 · N/R - Setul Patel - Akers Mill		23,506.38
21000 · Prepaid Expenses		5,201.81
21005 · Prepaid Commissions - ST		6,860.00
21130 · Prepaid Commissions - LT		44,490.00
21190 · N/R - Andres Garcia - NDH store		14,826.25
21191 · N/R - Andres Garcia - Roswell		150,000.00
Total Other Assets		244,884.44
TOTAL ASSETS		**498,416.02**
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
40000 · Accounts Payable		12,224.03
Total Accounts Payable		12,224.03
Credit Cards		
41001 · Suntrust Credit Card 1388		2,483.53
Total Credit Cards		2,483.53
Other Current Liabilities		
46250 · Due to Sandy Springs		1,500.00
46201 · Accrued Property Taxes		366.40
48011 · EIDL Loan Liability		149,900.00
43000 · Payroll Liabilities		7,605.37
43035 · Commissions Payable		21,900.00
45105 · Due to Tin Drum Holding		1,724,586.08
45235 · Due to Tin Drum Rocks, LLC		1,090,847.66
48000 · Deferred Franchise Fees-LT		224,129.00
48005 · Deferred Franchise Fees-ST		15,585.00
Total Other Current Liabilities		3,236,419.51
Total Current Liabilities		3,251,127.07

Tin Drum Asia Cafe, LLC
Balance Sheet
As of May 30, 2021

	May 30, 21
Total Liabilities	3,251,127.07
Equity	
50400 · Member's Equity	-4,483,331.02
Net Income	1,730,619.97
Total Equity	-2,752,711.05
TOTAL LIABILITIES & EQUITY	**498,416.02**

Tin Drum Asia Cafe, LLC
Profit & Loss
May 3 - 30, 2021

	May 3 - 30, 21	Jan 1 - May 30, 21	% YTD	% of Income
Ordinary Income/Expense				
Income				
63400 · Rebate Income	0.00	4,165.20	0.0%	0.0%
62000 · Royalty Income	30,077.08	150,276.46	20.0%	60.1%
62100 · Ad Fund Income	12,805.46	64,032.26	20.0%	25.6%
62200 · CoOp Fund Income	7,155.45	34,897.88	20.5%	14.3%
Total Income	50,037.99	253,371.80	19.7%	100.0%
Gross Profit	50,037.99	253,371.80	19.7%	100.0%
Expense				
70100 · Labor				
70105 · Management Wages	25,153.78	132,427.51	19.0%	50.3%
70120 · Vacation/Holiday Pay	0.00	961.54	0.0%	0.0%
70220 · Fringe Benefits	6,552.51	33,741.92	19.4%	13.1%
70300 · Workers Comp Insurance	485.75	2,428.75	20.0%	1.0%
70350 · Payroll Taxes	1,950.86	10,196.79	19.1%	3.9%
71200 · Contract Labor	0.00	7,384.60	0.0%	0.0%
Total 70100 · Labor	34,142.90	187,141.11	18.2%	68.2%
71000 · Controllable Expenses				
70380 · Payroll Service Fee	292.02	1,490.35	19.6%	0.6%
71020 · Bank Charges	945.26	3,928.88	24.1%	1.9%
71300 · Laundry and Uniforms	0.00	1,916.26	0.0%	0.0%
71335 · Equip Rental	140.00	323.38	43.3%	0.3%
71500 · Operating Supplies	44.11	283.02	15.6%	0.1%
71800 · Telephone/Internet Expense	568.20	1,981.44	28.7%	1.1%
Total 71000 · Controllable Expenses	1,989.59	9,923.33	20.0%	4.0%
73101 · Advertising/Marketing				
73000 · Ad Fund Expenses	1,250.82	4,377.87	28.6%	2.5%
73100 · Advertising and Promotions	3,178.40	10,911.97	29.1%	6.4%
73115 · LSM	0.00	2,012.68	0.0%	0.0%
73120 · Advertising National	0.00	4,614.82	0.0%	0.0%
73101 · Advertising/Marketing - Other	0.00	2,437.46	0.0%	0.0%
Total 73101 · Advertising/Marketing	4,429.22	24,354.80	18.2%	8.9%
75001 · General & Administrative				
71650 · Parking	0.00	200.25	0.0%	0.0%
73130 · Franchise Sales/Marketing	0.00	20,099.00	0.0%	0.0%
73200 · Auto Expense	2,509.58	9,190.22	27.3%	5.0%
73400 · Computer Expense	0.00	196.51	0.0%	0.0%
73475 · Dues and Subscriptions	4,230.13	15,007.61	28.2%	8.5%
74450 · Meals & Entertainment	0.00	938.52	0.0%	0.0%
76600 · Printing	4,581.08	8,471.09	54.1%	9.2%
76650 · Professional Fees	2,665.45	98,846.50	2.7%	5.3%
77670 · R&D	0.00	130.31	0.0%	0.0%
77930 · Education/Training Code	0.00	-1,000.00	0.0%	0.0%
77940 · Recruiting	0.00	2,080.00	0.0%	0.0%
77945 · Meeting Expense	0.00	588.27	0.0%	0.0%
77950 · Travel Expense	0.00	194.95	0.0%	0.0%
78550 · Licenses and Permits	0.00	60.00	0.0%	0.0%
Total 75001 · General & Administrative	13,986.24	155,003.23	9.0%	28.0%
78000 · Fixed Expenses				
78500 · Property and Liability Insuranc	1,733.91	8,669.55	20.0%	3.5%
78560 · Franchise Support	248.64	792.71	31.4%	0.5%
78825 · Property Taxes	36.64	183.20	20.0%	0.1%
Total 78000 · Fixed Expenses	2,019.19	9,645.46	20.9%	4.0%
Total Expense	56,567.14	386,067.93	14.7%	113.0%
Net Ordinary Income	-6,529.15	-132,696.13	4.9%	-13.0%
Other Income/Expense				
Other Income				
63500 · Misc Income	1,461.29	1,461.29	100.0%	2.9%
63550 · Interest Income	70.39	710.31	9.9%	0.1%
65500 · Forgiveness of Debt Income	0.00	1,868,973.30	0.0%	0.0%
Total Other Income	1,531.68	1,871,144.90	0.1%	3.1%
Other Expense				
78900 · Interest Expense	0.00	7,828.80	0.0%	0.0%

Tin Drum Asia Cafe, LLC
Profit & Loss
May 3 - 30, 2021

	May 3 - 30, 21	Jan 1 - May 30, 21	% YTD	% of Income
Total Other Expense	0.00	7,828.80	0.0%	0.0%
Net Other Income	1,531.68	1,863,316.10	0.1%	3.1%
Net Income	**-4,997.47**	**1,730,619.97**	**-0.3%**	**-10.0%**

EXHIBIT K TO THE DISCLOSURE DOCUMENT

NETSURION AGREEMENT

Netsurion

Work Order

CUSTOMER INFORMATION

Legal Name of Customer ______________________

Mailing Address ______________________

City, State, Zip ______________________

Attn. (Name) ______________________

E-mail Address ______________________

Telephone Number ______________________

SERVICE LOCATION

Business Name ______________________

Store # ______________________

Physical Address ______________________

City, State, Zip ______________________

Store Phone Number ______________________

Visa Merchant ID ______________________

BILL TO

The BILL TO ADDRESS is the same address as the (select one of the options below)

☒ Same as Customer ☐ Same as Service Location ☐ Address provided below

Bill To Name ______________________

Billing Address ______________________

City, State, Zip ______________________

Attn. (Name) ______________________

E-mail Address ______________________

Telephone Number ______________________

INSTALL CONTACT

Netsurion will contact this person to schedule the appointment to remotely configure the firewall and confirm the shipping address.

Full Name ______________ Title: ______________

Telephone- Office ______________ Best Time to Call ______________

Telephone- Cell ______________ Best Time to Call ______________

E-mail Address ______________________

SHIPPING INSTRUCTIONS

Shipping & Handling ☐ UPS Ground; $20.00 ☐ UPS Other Select if applicable

Ship to ☐ Customer ☒ Service Location ☐ Bill To ☐ Address provided below

☐ Not applicable (Netsurion firewall has already been ordered or installed)

Company Name ______________________

Attn. (Name) ______________________

Address ______________________

City, State, Zip ______________________

Telephone Number ______________________

Netsurion

Work Order

SERVICES The service term is 36 months.

Service Package	Quantity	Onetime Setup Fee	Monthly Service Fee	Total Setup Fee	Total Recurring Fee
Titanium Secure	1	$275.00	$89.00	$275.00	$89.00
On-Site Firewall Installation	1	$0.00	$0.00	$0.00	$0.00
These fees do not include applicable sales tax or regulatory charges. TOTAL FEES				$275.00	$89.00

* Fee includes trip charge and two (2) hours of on site labor. Should additional time or trip be needed, fee is $150.00per hour.

INTERNET SERVICE PROVIDER ("ISP") INFORMATION FOR SERVICE LOCATION

Type ☐DSL ☐Cable ☐T-1 ☒Other __________

List websites the service location will need to access for business purposes (E.g. Your bank at www.mybank.com). No need to list payment processors, microsoft or antivirus updates.

1. __________ 5. __________

2. __________ 6. __________

3. __________ 7. __________

4. __________ 8. __________

List other types of systems you need remote access to or that require access to the internet (i.e., DVR, time clock, monitoring system, etc.)

1. __________ 3. __________

2. __________ 4. __________

ADDITIONAL INFORMATION

List POS provider: To be provided by Zwayne Sealy

Please provide any additional information that would be useful to deploy services:

Netsurion **Work Order**

ACCOUNT PERMISSIONS (Click on Permissions to see definitions)

CONTACT 1

Full Name			Title:	
Employed by	[X] Owner	[ ] Third Party	Office Telephone #	
E-mail 1			Send security code to E-mail 1	[X] Yes [ ] No
E-mail 2			Send security code to E-mail 2	[ ] Yes [ ] No
Cell Telephone #		Carrier	Send security code to Cell?	[X] Yes [ ] No
Permissions	[X] Support	[X] PCI Compliance	[X] Netsurion Remote Access	[X] LANScribe™

CONTACT 2

Full Name			Title:	
Employed by	[ ] Owner	[ ] Third Party	Office Telephone #	
E-mail 1			Send security code to E-mail 1	[ ] Yes [ ] No
E-mail 2			Send security code to E-mail 2	[ ] Yes [ ] No
Cell Telephone #		Carrier	Send security code to Cell?	[ ] Yes [ ] No
Permissions	[ ] Support	[ ] PCI Compliance	[ ] Netsurion Remote Access	[ ] LANScribe™

CONTACT 3

Full Name				Title:	
Employed by	[X] Owner		[ ] Third Party	Office Telephone #	
E-mail 1				Send security code to E-mail 1	[X] Yes [ ] No
E-mail 2				Send security code to E-mail 2	[ ] Yes [ ] No
Cell Telephone #			Carrier	Send security code to Cell?	[ ] Yes [X] No
Permissions	[X] Admin	[ ] Support	[X] PCI Compliance	[X] Netsurion Remote Access	[X] LANScribe™

The services to be provided under this Work Order are subject to the terms and conditions stated in the executed Computer Network Services Agreement, dated ______________________________ between Netsurion, LLC and Customer.

NETSURION, LLC:		CUSTOMER:	
Signature		Signature	
Printed Name		Printed Name	
Date		Date	

COMPUTER NETWORK SERVICES AGREEMENT

1. Description and Nature of Parties. This agreement ("Agreement"), effective on the latest date at the end of this Agreement, is by and between Netsurion LLC, Two Arena Place, 7324 Southwest Freeway, Suite 1700, Houston, TX 77074 ("Netsurion"), and

____, located at

____ ("Customer"). Customer is in the business of accepting

payment for goods and/or services via payment card. Netsurion is in the business of providing technological services to payment-card accepting businesses. Customer is desirous of Netsurion providing certain computer-related technological services to Customer, and VST is desirous of providing such services to Customer; **therefore, the parties agree as follows.**

2. Definitions. Definitions concerning all terms of art contained in this Agreement are as stated (or to be stated) at http://www.netsurion.com/definitions-91312/. The parties agree to be bound by these definitions. Should any changes be made by Netsurion to these definitions and thereby imposed on Customer, Customer will be notified by email at the email address listed below.

3. Work Order and Contract Documents. Services will be provided as indicated on each work order ("Work Order") submitted to Netsurion by Customer. By submitting a Work Order, Customer agrees that the Work Order immediately becomes a part of and is governed by this Agreement. This Agreement does not obligate Customer to order services from Netsurion nor does it obligate Netsurion to accept Work Orders for services from Customer, but it, together with any applicable Work Order, governs the services provided by Netsurion to Customer.

4. Installation. Customer will install all hardware equipment and/or software necessary to carry into effect the Work Order in relation to network data and security technological services at each of Customer's locations, including, where necessary, operating-system patches or new or different operating-system versions. Installation of the Equipment by Netsurion shall take place Monday through Friday, 8:00 a.m. through 6:00 p.m. CST; additional costs may be assessed to Customer for evening and weekend installations. Once functioning post-installation, Netsurion will transition each location to the Netsurion service model as detailed on the applicable Work Order.

5. Costs at Location. Customer is responsible for all costs at its Location(s), including without limitation, personnel, wiring, computer equipment, internet access, electrical power and the like, necessary for the use of the Netsurion services and equipment.

6. Firewalls. If any Work Order includes the installation of a firewall(s), then Netsurion warrants the firewalls installed at Customer's location(s) for the initial Term of this Agreement or for 36 (thirty-six) months, whichever is lesser. During the initial Term, any firewall(s) having failed through regular usage will be replaced by Netsurion. Any firewall(s) having failed through the fault of Customer or a third party will be replaced by Netsurion after payment to Netsurion by Customer of the replacement cost of $1,000.00 (One thousand dollars) per firewall. Concerning any renewal Terms, an additional warranty period is available for a reasonable fee. Title to the firewall(s) passes to Customer upon shipment.

7. Term and Termination.

7.1. The initial term ("Term") of this Agreement is 36 (thirty-six) months plus any partial first month beginning on the date of shipment of any equipment listed in the Work Order(s).

7.2. **Termination.** Either party may terminate this Agreement for any reason or for no reason at the end of a Term by giving written notice to the other party not less than ninety (90) days prior to the end of the then current Term. Customer may terminate this Agreement only in accordance with the termination conditions set forth in this Agreement.

7.3. **Early Termination.** If Customer desires to terminate this Agreement prior to the end of a Term (an "Early Termination"), Customer shall give Netsurion notice (the "Early Termination Notice"), pursuant to Section 17 of its intent to terminate early ninety (90) days prior to the desired termination date. Customer shall be responsible for payment of the Monthly Service Fee for all installed locations the month in which it delivers to Netsurion the Early Termination Notice (the "Early Termination Notice Month"). Customer shall also be responsible for paying an early termination charge (the "Early Termination Charge") equal to $750.00 (Seven Hundred Fifty Dollars) for any customer location installed less than (12) twelve months prior to the Early Termination Notice Month.

7.4. **Termination for Breach.** Either party may terminate this Agreement at any time by giving thirty (30) days written notice (the "Breach Notice") of termination to the other party in the event that the other party: (i) breaches the terms or conditions of this Agreement including, but not limited to, payment of the Monthly Service Fee, and fails to remedy such breach within thirty (30) days of the date of the Breach Notice; or (ii) becomes insolvent, makes an assignment for the benefit of creditors, is adjudged bankrupt, or if a receiver is appointed over such party's assets. VST may require an activation fee to change or resume a terminated or suspended Account.

7.5. **Breach - Payment of Fees.** In the event of Customer's breach of the terms of this Agreement, including without limitation, failure to pay any sum due hereunder, in addition to other remedies and recoveries provided for hereunder (e.g., for early termination), Customer shall reimburse Netsurion for all attorneys, court, collection and other costs incurred by Netsurion in the enforcement of Netsurion's rights hereunder and VST may keep any deposits or other payments made by Customer.

7.6. **Scope of Termination.** Any termination of the Agreement between Netsurion and Franchisor shall have no effect on this Agreement and this Agreement will remain in full force and effect. Customer agrees in the event the Agreement between Netsurion and Franchisor is terminated, Customer will pay the set up fees for any new installation as indicated in Exhibit A attached hereto.

8. Fees and Payment. Client agrees to pay all monthly recurring charges and non-recurring charges, (collectively, the "Fees") as indicated in Exhibit "A" attached hereto. Client agrees that Fees commence upon delivery of the firewall. The pricing is confidential and may not be disclosed to third parties. Any partial month at the beginning of the Term will be invoiced to Customer on a pro-rated basis. Invoicing, which will occur one month in advance, begins upon shipment.

COMPUTER NETWORK SERVICES AGREEMENT

9. **Billing Disputes.** If Customer disputes any portion of its Invoice, Customer must pay the undisputed portion in full by the Due Date. To dispute an Invoice, or a portion thereof, Customer must, within ten (10) days of the date on the Invoice ("Dispute Due Date"), submit a written claim fully documenting the reasons for the dispute (the "Claim") via certified or overnight mail, return receipt requested, to the address below. After receipt of the Claim, Netsurion shall undertake an investigation of the Claim, so long as Customer has not waived its rights pursuant to this paragraph to make the Claim. At the conclusion of the investigation, Netsurion will notify Customer of any amount determined by Netsurion to be correctly charged and such amount will become immediately due and owing. Amounts determined by VST to have been correctly charged will be subject to the Late Payment Fee (as defined below). If the Claim is not sent by the Dispute Due Date, Customer waives all rights to dispute the applicable Charges, unless otherwise provided by law. All billing disputes must be sent to

Billing Department
Netsurion, LLC
7324 Southwest Freeway, Suite 170
Houston, TX 77074
Billing@vendorsafe.com

10. **Taxes.** Federal, state, local, county, municipal and other governmental or regulatory agencies may assess taxes, including without limitation, excise, franchise, sales, value-added, use, personal and real property taxes, surcharges, tariffs or fees (collectively, "Taxes") on Customer's purchase or use of the Services or Equipment. These Taxes may change from time-to-time, with or without notice to Customer. Customer is responsible for the payment of all applicable Taxes now in force or enacted in the future. The Taxes are in addition to the amounts paid for the Services and Equipment. If Customer is exempt from any or all Taxes, it must provide Netsurion with an original certificate that satisfies applicable legal requirements attesting to its tax-exempt status. Tax exemption shall only apply from and after the date that Netsurion receives such valid certificate. If any amounts paid by Customer for the Services are refunded by VST to the Customer, applicable Taxes may not be refundable

11. **Privacy and Confidentiality.** In the course of providing the deliverables, Netsurion may be given access to, or be provided with, confidential information about Customer's business and/or Customer's website ("Business Information"), and personal information about Customer, Customers employees, Customer's account and/or card holders and/or Customer's website ("Personal Information"). Customer authorizes such access and disclosure of Customer's Business Information to Netsurion. Netsurion will use all reasonable efforts to keep Customer's Business Information confidential and will not disclose Customer's Business Information to any third party. To the extent that access to Personal Information by Netsurion occurs, Customer authorizes such access and authorizes Netsurion to use such Personal Information for the sole purpose of providing the services contemplated by this Agreement. Netsurion will not use any such Personal Information for any other purposes than those specifically related to providing the services contemplated by this Agreement.

12. **Intellectual Property.** The intellectual property associated with any equipment installed at Customer's location(s) is and remains Netsurion's property. By its possession and use, Customer acquires no rights or interests of any kind in the intellectual property and hereby expressly covenants that it will not disclose anything about Netsurion's intellectual property or allow any physical access to Netsurion's intellectual property.

13. **Publicity.** Should Netsurion desire to use Customer's name and identity in its marketing efforts relative to the subject matter of this Agreement, Netsurion must request and receive Customer's express written consent, which consent shall not be unreasonably denied, conditioned, or delayed, and which may be sought and received via email at the email addresses listed below

14. **Limitation on Liability.** IN NO EVENT IS VST'S LIABILITY UNDER THIS AGREEMENT MORE THAN THE TOTAL AMOUNT PAID BY CUSTOMER TO VST DURING THE INITIAL TERM OF THIS AGREEMENT. This paragraph in no way limits the TrustVault Certificate® described in paragraph 15. of this Agreement.

15. **Assignment.** This Agreement may be assigned by Netsurion at the sole discretion of Netsurion. Customer may assign this Agreement only after Notice to Netsurion and with Netsurion's express written permission, which permission Netsurion shall not unreasonably deny, condition, or delay

16. **Integration; Amendment; Severability; Waiver; Headings; Construction; Counterparts.** This Agreement contains the entire agreement of the parties and there are no other promises or conditions in any other agreement, oral or written. This Agreement supersedes any prior written or oral agreements between the parties. This Agreement may be amended only if the amendment is in writing and is signed by both parties. If any provision of this Agreement is held to be invalid or unenforceable for any reason, the remaining provisions continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable but that by limiting such provision it would become valid and enforceable, then such provision is deemed to be written, construed, and enforced as so limited. The failure of either party to enforce any provision of this Agreement is not a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement. The headings used in this Agreement are for convenience of reference only and form no part of this Agreement. This Agreement was negotiated by the parties, and, therefore, it shall not be strictly construed against either party as the drafter. This Agreement may be executed in one or more counterparts; if so, all counterparts constitute one agreement.

17. **Notices.** With the exception of numbered paragraphs 02. and 09. of this Agreement, all notices required or permitted under this Agreement will be in writing and will be deemed delivered when delivered in person or deposited in the United States mail, certified, postage prepaid, and addressed as follows. Such address may be changed by either party by providing Notice to the other in the manner set forth in this paragraph.

VST:	**Customer:**
Legal Department	______________________
	______________________
Netsurion, LLC	______________________
7324 Southwest Freeway, Suite 1700	______________________
Houston, TX 77074	______________________
legal@vendorsafe.com	______________________

COMPUTER NETWORK SERVICES AGREEMENT

18. Governance; Venue; Dispute Resolution. This Agreement is governed by the law of Texas, and venue concerning any disputes arising hereunder is Harris County, Texas. The exclusive remedy for disputes between the parties arising from or relating to this Agreement is arbitration conducted by a single arbitrator assigned by the American Arbitration Association ("AAA") and conducted under the AAA Commercial Rules to the extent not overridden by the following rules of this provision. Arbitration may be invoked by either party at any time. The arbitration hearing will be no longer than four hours in duration, involve very limited discovery, and conducted no later than one month after arbitrator appointment. The arbitrated decision will be rendered within one week of the arbitration hearing and is not appealable. All costs of arbitration will be borne by the party incurring the cost, provided, however, that the arbitrator, in unusual circumstances, may assess up to all costs against a single party.

19. TrustVault Certificate®. In the case of reasonable proof by any third-party company listed in this numbered paragraph 15. of an electronic data breach, Netsurion will reimburse Customer up to $100,000.00 in direct breach-related expenses including security audit fees, bank card fines, and card replacement fees pursuant to the TrustVault Certificate® as identified herein. Reimbursement takes place only if the breach is committed by someone other than "Customer," in and only in this context being defined as the owners, executives, employees, and agents of Customer. The TrustVault Certificate® goes into effect on the first day of the month following receipt of a valid merchant ID number by Netsurion from Customer, provided, however, that the TrustVault Certificate® shall not be effective until one (1) year after Customer's "most recent data breach." Customer's "most recent data breach" is hereby defined as the date Customer was first notified by any of Visa, MasterCard, Discover Card, American Express, or JCB of a data breach. THE TRUSTVAULT CERTIFICATE® DOES NOT INCLUDE ANY DATA BREACHES HAVING OCCURRED PRIOR TO THE EXECUTION OF THIS AGREEMENT, WHETHER OR NOT KNOWN TO CUSTOMER AT THE TIME OF EXECUTION OF THIS AGREEMENT. The TrustVault Certificate®, is automatically invalidated upon the occurrence of any of the following events: a) failure to remit payment when due; b) failure to provide Netsurion Notice in the event that Customer's merchant ID number changes so that the new number can be added to Netsurion's relevant database, c) during any period in which the Netsurion-provided or Netsurion-approved firewall has yet to be initially connected or is disconnected or has been circumvented, d) failure to implement a security measure as recommended by Netsurion, and e) allowing insecure activity that has caused Netsurion to require Customer to execute a TrustVault Certificate® waiver ("Waiver"). Additionally, the TrustVault Certificate® does not apply to any firewall, whether provided by Netsurion or otherwise acquired by Customer, that has not passed an Approved Scanning Vendors scan. Before any reimbursement under the TrustVault Certificate® occurs and notwithstanding the third-party reasonable proof indicated above, Netsurion reserves the right to contract with an independent forensic auditor to audit the relevant data to validate the claimed data breach.

20. Responsibility for PCI Compliance and Network Security. Outside the language of this Agreement, Netsurion does not warrant or assume any legal liability or responsibility concerning Customer's compliance with the PCI Data Security Standard or for network security generally, expressly including any verbal or written communication with Customer prior to or subsequent to the execution of this Agreement.

21. Self-Service Portal Access/Communication/Customer Responsibilities/Data Access. In the context of performing the services purchased through each Work Order, Netsurion will grant self-service portal access ("Access") to and communicate with only those employees or agents of Customer ("Contacts") who are specified in the Account Permissions section of each Work Order or who have been added as Contacts by the person designated in each Work Order as Customer's Administrative Contact. The Access of Contacts will be limited by the permissions granted to them by the Administrative Contact. By Access, Customer is responsible for the review, download, and distribution of scans. With respect to Access, Customer agrees to be bound by the Terms of Use and Privacy located at https://netsurion.403labs.com. Notwithstanding anything to the contrary contained in each Work Order, Customer agrees that, to facilitate franchisor/franchisee cooperation on the subject of PCI DSS compliance, Netsurion is permitted by Customer to allow separate access by Customer's franchisor Tropical Smoothie Cafe, LLC to the information it has gathered about Customer's PCI DSS status through its performance of the Work Order and without any further permission of Customer.

In witness whereof, intending to be legally bound, the parties hereto have executed this Agreement on the date(s) adjacent to their respective signatures below

NETSURION, LLC	CUSTOMER
Signature	Signature
Printed Name / Title	Printed Name / Title
Date/Time Field	Date/Time Field

Netsurion

Work Order

SERVICES The service term is 36 months.

Service Package	Quantity	Onetime Setup Fee	Monthly Service Fee	Total Setup Fee	Total Recurring Fee
Titanium Secure	1	$275.00	$89.00	$275.00	$89.00
On-Site Firewall Installation	1	$0.00	$0.00	$0.00	$0.00
These fees do not include applicable sales tax or regulatory charges. TOTAL FEES				$275.00	$89.00

* Fee includes trip charge and two (2) hours of on site labor. Should additional time or trip be needed, fee is $150.00per hour.

INTERNET SERVICE PROVIDER ("ISP") INFORMATION FOR SERVICE LOCATION

Type ☐DSL ☐Cable ☐T-1 ☒Other __________

List websites the service location will need to access for business purposes (i.g. Your bank at www.mybank.com). No need to list payment processors, microsoft or antivirus updates.

1. __________ 5. __________
2. __________ 6. __________
3. __________ 7. __________
4. __________ 8. __________

List other types of systems you need remote access to or that require access to the internet (i.e., DVR, time clock, monitoring system, etc.)

1. __________ 3. __________
2. __________ 4. __________

ADDITIONAL INFORMATION

List POS provider: To be provided by Zwayne Sealy

Please provide any additional information that would be useful to deploy services:

EXHIBIT L TO THE DISCLOSURE DOCUMENT

FRANCHISEE DISCLOSURE QUESTIONNAIRE

TIN DRUM ASIACAFÉ, LLC

FRANCHISEE DISCLOSURE QUESTIONNAIRE

As you know TIN DRUM ASIACAFÉ, LLC ("we" or "us"), and you are preparing to enter into a Franchise Agreement for the operation of a Tin Drum Asian Kitchen franchise. The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, to be certain that you have been properly represented in this transaction, and to be certain that you understand the limitations on claims you may make by reason of the purchase and operation of your franchise. **Do not sign or date this Questionnaire the same day as the Receipt for the Franchise Disclosure Document; you should sign and date this Questionnaire the same day you sign the Franchise Agreement.** Please review each of the following questions carefully and provide honest responses to each question.

Yes__
No__
1. Have you received and personally reviewed the Franchise Agreement and each addendum, exhibit or schedule attached to it?

Yes__
No__
2. Did you receive the Franchise Agreement and each related agreement, containing all material terms, at least 7 calendar days before signing any binding agreement with us or an affiliate? (Note: This does not include changes to any agreement arising out of negotiations you initiated with us.)

Yes__
No__
3. Have you received and personally reviewed the Franchise Disclosure Document ("FDD") we provided?

Yes__
No__
4. Did you receive the FDD at least 14 calendar days before signing the Franchise Agreement or any related agreement, or before paying any funds to us or an affiliate?

Yes__
No__
5. Did you sign a receipt for the FDD indicating the date you received it?

Yes__
No__
6. Do you understand all the information contained in the FDD, the Franchise Agreement, and each related agreement and/or addendum?

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

Yes__
No__
7. Have you reviewed the FDD, Franchise Agreement, and each addendum, exhibit or schedule with a lawyer, accountant or other professional advisor?

Do you wish to have more time to do so? Yes___ No___ (check one)

Yes__
No__
8. Do you acknowledge and understand that no parent or affiliate of ours promises to back us financially or otherwise guarantees our performance or commits to perform post-sale obligations for us?

Yes__ No__ 9. Do you understand the risks of developing and operating a Tin Drum Asian Kitchen franchise?

Yes__ No__ 10. Do you understand the success or failure of your franchise will depend in large part upon your skills, abilities and efforts and those of the persons you employ, as well as many factors beyond your control such as weather, competition, interest rates, the economy, inflation, labor and supply costs, lease terms and the marketplace?

Yes__ No__ 11. Do you understand we and our affiliates retain the exclusive, unrestricted right to engage, directly or through others, in the production, distribution and sale of products and services under the Tin Drum Asian Kitchen name or other mark, through alternative channels of distribution, which may compete with your unit and adversely affect its sales?

Yes__ No__ 12. Do you understand that, except where prohibited by the laws of your state, all disputes or claims you may have arising out of or relating to the Franchise Agreement must be litigated in Georgia, if not resolved informally or by mediation?

Yes__ No__ 13. Do you understand that you and your manager must satisfactorily complete the initial training course before we will allow the Tin Drum Asian Kitchen to open?

Yes__ No__ 14. Has any employee or other person speaking on our behalf made any statement, promise or agreement concerning advertising, marketing, media support, marketing penetration, training, support service or assistance that is contrary to, or different from, the information contained in the Franchise Agreement and/or the FDD?

Yes__ No__ 15. Has any employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a Tin Drum Asian Kitchen franchise will generate, that is not contained in the FDD or that is contrary to, or different from, the information contained in the FDD?

Yes__ No__ 16. We have specifically instructed our affiliates, and our and their respective officers, directors, employees, and agents, that, except as provided in Item 19 of our FDD, they are not permitted to make any representation, warranty, promise, guaranty, prediction, projection, or other statement or give other information as to income, sales volume, or profitability, either generally or with respect to any particular Tin Drum Asian Kitchen franchise. Has any officer, director, employee, agent or other person speaking on our behalf made any statement or given you other information as to income, sales volume, or profitability, either generally or with respect to any particular Tin Drum Asian Kitchen franchise that is contrary to, or different from, the information contained in the FDD? (If any unauthorized representation, warranty, promise, guaranty, prediction, projection, or other statement or information is made or given, the undersigned should not (and will not) rely on it.)

Yes__ No__	17.	Have you paid any money to us or our affiliate(s) concerning the franchise opportunity prior to today? If you answered "Yes" to any one of questions 14–16, please provide a full explanation of each "Yes" answer below. (Attach additional pages if necessary.) ____ ____ ____
Yes__ No__	18.	Do you understand that the Franchise Agreement (and ancillary agreements and addenda, if any) contains the entire agreement between us and you concerning the franchise for the Tin Drum Asian Kitchen, meaning any prior oral or written statements not set out in the Franchise Agreement will not be binding?*
Yes__ No__	19.	Do you acknowledge and understand that the Franchise Agreement and related agreements are not effective until signed by us?

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

____________________ Signature of Franchise Applicant #1 ____________________ Name (please print) Dated ____________________	____________________ Signature of Franchise Applicant #2 ____________________ Name (please print) Dated ____________________
____________________ Signature of Franchise Applicant #3 ____________________ Name (please print) Dated ____________________	____________________ Signature of Franchise Applicant #4 ____________________ Name (please print) Dated ____________________

* Nothing contained in this Questionnaire is intended to disclaim the representations we made in the FDD that we furnished to you.

EXHIBIT M TO THE DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES AND RECEIPTS

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, 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	PENDING

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

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

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

If TIN DRUM ASIACAFÉ, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency (as listed in Exhibit "A" to this Disclosure Document).

The franchisor is Tin Drum Asiacafé, LLC, located at 1299 Battle Creek Road, Unit 110, Jonesboro, Georgia 30236. Its telephone number is (404) 518-1799. We authorize the respective state agencies identified on Exhibit "A" to receive service of process for us if we are registered in the particular state.

Issuance Date: July 29, 2021.

The name, principal business address, and telephone number of the franchise sellers offering the franchise are:

Name	Principal Business Address	Telephone Number
Steven Chan, Altaf Popatiya, Amisha Popatiya and Matt Schinelli	1299 Battle Creek Road, Unit 110 Jonesboro, Georgia 30236	(404) 518-1799
Hair Parra	17363 SW 19 Street Miramar, Florida 33029	(954) 655-6085

I received a Disclosure Document dated July 29, 2021. (See the state effective date summary page for state effective dates.) The Disclosure Document included the following Exhibits:

A State Agencies and Administrators/Agents for Service of Process
B Form of Franchise Agreement
C Form of Development Agreement
D Pre-Authorized Bank Form
E Addendum to Lease Agreement/Conditional Assignment of Lease
F Operating Manual Table of Contents
G Nondisclosure and Noncompetition Agreement
H State Specific Addenda and Riders
I Current and Former Franchisees
J Financial Statements
K Netsurion Agreement
L Franchisee Disclosure Questionnaire
M Receipts

KEEP THIS COPY FOR YOUR RECORDS.

______________________________ ______________________

Signature Date

Print Name:______________________________

RECEIPT

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

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

If TIN DRUM ASIACAFÉ, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency (as listed in Exhibit "A" to this Disclosure Document).

The franchisor is Tin Drum Asiacafé, LLC, located at 1299 Battle Creek Road, Unit 110, Jonesboro, Georgia 30236. Its telephone number is (404) 518-1799. We authorize the respective state agencies identified on Exhibit "A" to receive service of process for us if we are registered in the particular state.

Issuance Date: July 29, 2021

The name, principal business address, and telephone number of the franchise sellers offering the franchise are:

Name	Principal Business Address	Telephone Number
Steven Chan, Altaf Popatiya, Amisha Popatiya and Matt Schinelli	1299 Battle Creek Road, Unit 110 Jonesboro, Georgia 30236	(404) 518-1799
Hair Parra	17363 SW 19 Street Miramar, Florida 33029	(954) 655-6085

I received a Disclosure Document dated July 29, 2021.(See the state effective date summary page for state effective dates.) The Disclosure Document included the following Exhibits:

A State Agencies and Administrators/Agents for Service of Process
B Form of Franchise Agreement
C Form of Development Agreement
D Pre-Authorized Bank Form
E Addendum to Lease Agreement/Conditional Assignment of Lease
F Operating Manual Table of Contents
G Nondisclosure and Noncompetition Agreement
H State Specific Addenda and Riders
I Current and Former Franchisees
J Financial Statements
K Netsurion Agreement
L Franchisee Disclosure Questionnaire
M Receipts

RETURN THIS RECEIPT TO US AT:
TIN DRUM ASIACAFÉ, LLC
1299 Battle Creek Road, Unit 110, Jonesboro, Georgia 30236
Tel: (404) 518-1799

______________________________ ______________________________
Signature Date
Print Name:______________________________